

HIGH SCHOOL BOOK-KEEPING

MAC LEAN.

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351

THE

HIGH SCHOOL BOOK-KEEPING

CONTAINING

ILLUSTRATIONS OF THE LATEST AND BEST METHODS
OF KEEPING ACCOUNTS BY

SINGLE AND DOUBLE ENTRY.

BUSINESS FORMS, CORRESPONDENCE, AND NUMEROUS
CLASS EXERCISES;

ALSO

PRÉCIS-WRITING AND INDEXING:

FOR THE USE OF

HIGH SCHOOLS AND COLLEGIATE INSTITUTES,

BY

H. S. MACLEAN.

TORONTO:

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P R E F A C E.

IN constructing this work I have endeavored to keep in mind the important fact that the training received at school should be a proper preparation for the performance of the duties of life. With this before me, I have made an attempt, whether successful or not, to present a course of instruction in Book-keeping not only thoroughly practical, but also furnishing suitable means for mental development. Although the more difficult parts of the subject are discussed somewhat fully, care has been taken to give only such explanations as actual experience in the school-room has proved necessary. The pupil is required not merely to copy and study work done for him, but to do it for himself. In short, the aim has been to *train* the pupil to record business transactions systematically, not simply to *show* him how to do so.

As Double Entry, contrary to the usual practice, is introduced before Single Entry, a word or two by way of explanation may not be out of place. For a considerable time I held the opinion that Single Entry, owing to its greater simplicity, should be taught first in order. Notwithstanding the difficulty of getting rid of preconceived notions, I have been forced to the conclusion that such idea is not correct by observing, (1) that D. E. can be made so simple as to present to the average High School pupil no difficulty sufficiently great to be objectionable educationally; (2) that D. E. affords more scope for mental discipline; (3) that the pupil who has mastered the principles of D. E. experiences but little trouble with S. E. If the converse of the last-named were true it would certainly lose its force, but this is not the case owing to the incompleteness of S. E. as compared with D. E. The arrangement is such, however, that those who wish to take S. E. first may do so without inconvenience.

The chapters on *Précis-Writing* and *Indexing* have been added so that the book might cover the commercial course prescribed for High Schools and Collegiate Institutes. The exercises and examples given in connection with these subjects have been obtained from various sources; but I am chiefly indebted to the *Art of Précis-Writing*, by Hunter, for hints and suggestions.

THE AUTHOR.

BOOK-KEEPING.



CHAPTER I.

INTRODUCTORY.

That every person, whether actively engaged in business or not, should keep some record of his dealings with others, is conceded by all. The teacher or student, as well as the merchant, should keep a set of books, or one book at least in which to enter business transactions. As might be supposed, there are different methods of keeping books. No doubt there are certain well-defined principles which should always be adhered to, but the application of these must ever depend largely on the nature of the transactions recorded. A blacksmith might find one "account book" all that would be necessary for his purpose, while a banker would require to use several books. Both parties should have the same object in view, viz.: to shew clearly, expeditiously, and accurately the true state of their affairs.

The pupil must endeavor to take a firm grasp of the principles, for when these are mastered the details of any particular method will present but little difficulty.

By a **business transaction** we mean the exchange of values, *i.e.*, that something which has a financial value is given for something else to which an equal financial value is attached. When we receive or pay money, get or give for value a note, check or any other valuable consideration, a business transaction takes place.

Goods are said to be bought or sold **on credit** when actual payment is not made for them *at the time* the transaction takes place.

EXAMPLE I.—We sell John Smith on credit 2 bush. wheat at 70c. per bush.

As John Smith gives us no value at the time the transaction occurs, we must hold him responsible for payment; or, in other words, we must charge the amount to him. In this way we shew by our books that he owes us \$1 40.

EXAMPLE II.—We buy of L. Mason on credit 12 lbs. of tea at 60c. per lb.

As we get value from L. Mason without giving value in return at the time, we must make such an entry as will show that we are indebted to him to the extent of \$7 20.

By a **Cash** transaction we mean that cash has been received or given for some other thing.

EXAMPLE I.—We sell H. Crosby a fanning mill for cash \$30.

In this case we cannot charge H. Crosby with the amount, as he has given cash in payment. But as we have received cash we must make our books show this fact.

EXAMPLE II.—We buy of A. Hilker for cash 12 lbs. of sugar at 9c. per lb.

As we pay for the sugar, the business relations which existed between A. Hilker and us before the transaction took place have not been changed, but we must make our books show that we have paid out cash \$1 08.

ACCOUNTS.

When we have dealings with a person a very simple method of recording them is to write the **name of the person** in a *plain, large hand*, and to write the items below it. Again, when we receive or pay out money, we may write the word "**Cash**" as our heading and place the different amounts below it. We may also divide the items into two classes. For example, in each cash transaction money is either received or paid out. We may, therefore, place all amounts *received* on one side and all amounts *paid out* on the other side of the account headed "Cash."

A similar division can be made of the items of all other accounts; but a clear idea of this can be obtained only by means of examples.

A number of items collected under a heading is termed an **Account**.

Every account has two sides, the one to the *left* being called the **Debtor** (Dr.) side, and the one to the *right* the **Creditor** (Cr.) side.

PERSONAL ACCOUNTS.

An account kept with a person, a firm, or a corporation is called a **Personal Account**.

It is customary to place all amounts which a *person owes us* on the Dr. side of the account which we keep with him, and all amounts which *we owe him* on the Cr. side.

EXAMPLE.

July 1, 1886. Sold James Brown on credit 1 Reaper at \$80. July 5. Sold him two waggons at \$45 each on credit. Sept. 13. Received from him 25 bush. Wheat at 70c. per bush. Sept. 20. Received from him

on account cash \$30. Sept. 24. Sold him on account 1 Buggy at \$84. Sept. 30. Received from him 25 Bush. Barley at 50c. and cash \$20. How does the account stand on the 30th of September?

<i>Dr.</i>	(Our Account (Against Him.)	JAMES BROWN.	(His Account (Against Us.)	<i>Cr.</i>
1886		1886		
July. 1 1 Reaper	80	Sept. 13 25 bush. Wheat at 70c.	17 50	
" 5 2 Waggon at \$45 ..	90	" 20 Cash	30	
Sent. 24 1 Buggy	84	" 30 25 bush. Barley at 50c.	12 50	
		" " Cash	20	
			80	
			174	
			254	
Oct. 1 Balance from old a/c	254		==	==
	174		==	==

When a dealer wishes to *know merely how an account stands* he adds up the money column on the Dr. side, and also the one on the Cr. side, and finds the difference between these sums.

If he wishes to **close** the account he adds the columns and finds the difference between them. He then places the difference on the smaller side, making the entry in *red ink*, and rules lines across the money columns, as shown by the example given. The totals, which are of course equal, are put down and double lines ruled immediately below them across the money columns. The account is then said to be closed.

In the following exercises the items are to be arranged under the proper headings.

EXERCISE I.

October 1, 1886.—Sold John Jamieson on credit goods valued at \$40. 5. John Jamieson paid me on account cash \$10. 9. Sold John Jamieson 10 bush. Barley at 50c. 12. Received from John Jamieson 2 bbls. Potatoes at \$1 50. 15. John Jamieson paid me cash in full of account, \$—.

EXERCISE II.

October 16, 1886.—Wm. Muir owes me on account, \$25. Sold him 24 yds. Tweed at 70c. 20. Sold him 1 suit of Clothes at \$17, and Overcoat at \$13. 23. He gave me on account, $3\frac{1}{2}$ tons of Coal at \$6, and cash \$5. 26. He paid me cash \$10 on account. How much does he still owe me? What appears on the Dr. side? What on the Cr.?

EXERCISE III.

Nov. 1, 1886.—Sold L. Mason 24 bush. Barley at 55c., and 12 bush. Wheat at 75c. 3. Sold A. Hilker 28 bush. Oats at 34c. Received from L. Mason, on account, cash \$10. 5. Bought of N. D. McKinnon, 20 cords Wood at \$1 50. 5. Received from A. Hilker, 24 lbs. Cheese at 1c. Paid N. D. McKinnon, cash in full of account, \$.—. Sold L. Mason, 120 bush. Oats at 35c. 9. Received from A. Hilker, cash in full of account, \$.—. What does the Dr. side of a Personal acct. show? What the Cr.? When the Dr. side is the greater, in whose favor is the difference between the sides? Why? What is a Personal account?

[Note.—The pupil is required to open in proper form an account with each person with whom he does business on credit.]

CASH ACCOUNT.

A Cash Account is kept to show the amount of cash received and cash parted with. The plan adopted is to put all amounts of cash which are *taken into* the business on the Dr. side, and all amounts *parted with* on the Cr. side of this account.

EXAMPLE.

Nov. 1, 1886.—Cash on hand, \$10. 4. Paid for a hat, \$2. 6. Received week's wages, \$5. 8. Paid for a coat, \$7. 10. Paid to C. Cameron on account, 50c. 13. Received week's wages, \$5. 17. Paid for a pair of boots, \$4. 20. Received week's wages \$5. 23. Paid for fuel, \$1 50. 27. Received week's wages, \$5. 30. Bought for cash a vest at \$2 50. Find the amount of cash on hand.

<i>Dr.</i>	(Received.)	CASH.	(Parted with.)	<i>Cr.</i>
1886		1886		
Nov. 1	On hand	10	Nov. 4 Paid for a hat	2
" 6	Received week's wages.	5	" 8 " a coat	7
" 13	" "	5	" 10 " to C. Cameron.	50
" 20	" "	5	" 17 " for boots.....	4
" 27	" "	5	" 23 " fuel	1 50
			" 30 " vest	2 50
			" Balance on hand ..	12 50
		30		30
		==		==
Dec. 1	On hand	12 50		

EXERCISE IV.

July 5, 1886.—Commenced business with cash on hand, \$50. Bought of A. Mann for cash 100 yards Cotton at 7c., 20 yards Tweed at \$1 20. 10. Sold for cash to L. Mason 25 yds. Cotton at 8c. Paid for Coal Oil \$1, and for Stationery 50c. 12. Sold H. Corbett for cash 12½ yds.

Tweed at \$1 30. 15. Sold out the remainder of my goods for cash \$18. Find the amount of cash on hand.

EXERCISE V.

Aug. 2, 1886.—Commenced business with cash on hand, \$1,100. Bought of J. Bruce for cash, 20 bbls. of Flour at \$5 50, and 200 bush. Wheat at 90c. 3. Paid for Fuel, \$10. 5. Sold Jas. Ross for cash, 10 bbls. Flour at \$6 50. 6. Sold W. Garrow for cash, 50 bush. Wheat at 95c. 7. Paid for Postage, \$1 20. 9. Received from J. Clark, 20 cords of Wood at \$1 50, for which I paid cash.

How much is on hand on the 10th of Aug.? What does the Dr. side of the cash account show? What the Cr.? Which side must be the greater when there is a difference between the sides? Explain.

A Personal Account must be opened (if not opened already) when we receive value from a person without giving equal value *at the time*; and also when we give value to a person without receiving equal value *at the time*.

All cash transactions must appear in the Cash Account in some form. As the Dr. side shows all amounts which are taken into the business and the Cr. side all amounts which are paid out, the Dr. side must be the greater when there is a difference between the sides.

The pupil will observe that the same transaction may affect both the Cash Account and a Personal Account. For example, if J. Ross pays on account cash \$30, his account must be *credited* with the amount, because he gives value without receiving, at the time, value in return; and the Cash Account must be *debited* for the same, because cash has been received.

In the next two exercises the pupil will open a Cash Account, and also such Personal Accounts as are required.

EXERCISE VI.

Oct. 1, 1886.—Commenced business with cash on hand \$2,000. J. Taylor owes me on account \$350. 4. Bought of A. Gunn on account 250 yds. Tweed at 70c.; 30 yds. Broadcloth at \$2 30; 50 yds. Farmer's Satin at 45c.; 125 yds. Flannel at 30c. 5. Sold J. McKay 10 yds. Tweed at 90c.; 50 yds. Flannel at 40c. Paid for Coal Oil for use of store with cash, \$2 50. 6. Received from J. Taylor on account cash \$100. Paid cash for Fuel, \$20. 12. Paid A. Gunn on account cash \$140. Paid cash for Stationery and Postage, \$1 20. 13. Sold H. Murray on account 50 yds. Tweed at 90c.; 15 $\frac{1}{2}$ yds. Farmer's Satin at 50c. 15. Paid clerk's salary with cash \$20. Paid A. Gunn cash in full of account, \$—.

Find the amount of cash on hand, and show how the Personal Accounts stand on the evening of Oct. 15th.

EXERCISE VII.

Oct. 18, 1886.—Invested in business cash \$800. Bought of Wm. Symington for cash goods valued at \$100. 19. Sold A. Robinson on account 12½ yds. Silk at 90c.; 20 yds. Factory Cotton at 11c.; 14 yds. Tweed at \$1 20. 20. Bought of A. Hilker on account 300 yds. Linen at 50c. 21. Paid for Stationery, \$2 50. 22. Sold M. Milne on account 16½ yds. Linen at 60c.; 20 yds. Muslin at 25c. 23. Paid for Office Furniture, \$10. 25. Received from A. Robinson on account cash \$5. Paid A. Hilker on account cash \$60.

The pupils' work should show the following result: Cash on hand, \$632 50; A. Robinson owes on account, \$25 25; M. Milne owes \$14 75; amount owing to A. Hilker, \$90.

MERCHANDISE ACCOUNT.

A **Merchandise Account** is kept for the purpose of showing the *cost* and the *proceeds* of all goods handled in connection with the business.

When goods *come in* an entry is made on the Dr. side, and when goods *are disposed of* an entry is made on the Cr. side of the Merchandise Account. At commencing, the value of goods on hand is entered on the Dr. side.

Merchandise is the term commonly employed to denote goods of any kind which are bought to sell again. Goods bought for *use*, such as fuel, coal oil, stationery, etc., are not included.

EXAMPLE.

Aug. 2, 1886.—Commenced business with goods on hand valued at \$300. Sold James Holman on account 20 yds. Linen at 40c. 4. Bought of N. Bowman on account 250 yds. Cotton at 10c. Sold H. Holman for cash 112 yds. Tweed at 75c.* 5. Sold C. McLaren for cash 120 yds. Cotton at 12c. 6. Bought of L. Mason for cash 224 yds. Calico 11c. 7. Sold J. Baker my entire stock of goods for cash \$250. Find the loss or gain.

<i>Dr.</i>	(Cost.)	MERCHANDISE.	(Proceeds)	<i>Cr.</i>
1886				
Aug. 2	On hand	300	Aug. 2	Sold Jas. Holman on
" 4	Bought of N. Bowman on account	25	" 4	account..... 8
" 6	Bought for Cash of L. Mason	24 64	" 5	Sold for cash to H. Hol- man
	Gain	6 76	" 7	..... 84
		356 40		14 40
				250
				356 40

*The pupil who has done the exercises previously given will see at once that this transaction affects the Cash Account; but it is not necessary to open any other than the Merchandise Account to find the result required.

EXERCISE VIII.

Sept. 1, 1886.—Bought of F. Ross for cash goods valued at \$300.
 2. Sold D. Beaton for cash 3 prs. Men's Shoes at \$4 50. Sold A. Gunn on account 2 prs. Slippers at \$1 50; 3 prs. Gaiters at \$2. 4. Bought of H. King on account 100 prs. Men's Calf Stitched Shoes at \$5 20. Sold my entire stock of goods for cash \$798 50.

Find the loss or gain.

EXERCISE IX.

Nov. 1, 1886.—Invested in business merchandise worth \$560; cash, \$350. Sold H. Calder for cash 20 yds. Flannel at 27c.; 300 yds. Sheetings at 10c. Sold A. McCoubrey on account 20 yds. Tweed at \$1 20; 2 Spools Thread at 5c. 3. Paid for Fuel, cash \$25. 4. Received from A. McCoubrey on account cash \$10. Paid cash for Stationery, \$2 50. 6. Sold Wm. Muir on account 30 yds. Broadcloth at \$2 50. Bought of H. Steele on account 100 yds. Scotch Tweed at \$1 30. 9. Received from Wm. Muir on account cash \$40 50. 10. Received from A. McCoubrey cash in full of account, \$—. 12. Paid H. Steele on account cash \$100. Sold Harper & Co. on account 120 yds. Flannel at 30c. Bought of H. Steele on account an invoice of goods amounting to \$230. [By "invoice of goods" we mean goods as shown by the invoice or list of them received from the seller.] Sold A. McCoubrey for cash 5 pcs. English Print, 35 yds. each, at 20c. 15. Sold all the goods in store to W. Sloan for cash \$800.

Find the loss or gain on merchandise, and shew how the Cash Account and the necessary Personal Accounts stand. This exercise will require the opening of a Merchandise Account, a Cash Account, and personal accounts with A. McCoubrey, Wm. Muir, H. Steele, and Harper & Co.

What is the object of the Merchandise Account? What does the Dr. side show? What the Cr.? What entry should be made of goods unsold at the time of closing?

BILLS RECEIVABLE ACCOUNT.

When a dealer purchases goods on credit there is an understanding between himself and the seller as to the time of payment, although no written promise is given. It often happens, however, that a person gets a *written promise* to pay a sum of money at some stated time, for goods which he sells. When this is the case the merchandise is not really sold *on credit*, as the promise to pay is regarded as *actual payment* for the goods.

Suppose that E. Brown buys from the pupil goods valued at \$10, and that he gives the pupil in payment the following:

\$10.

Clinton, Oct. 8, 1886.

One month after date I promise to pay (pupil's name inserted here) Ten Dollars, for value received.

E. BROWN.

As Brown has given the pupil this *Promissory Note* which represents *value receivable* one month hence, he should not charge the amount of the goods to Brown's account. The pupil will open a **Bills Receivable Account**, into which he will enter this and all other *written obligations which he holds against others*.

When a note signed by another *comes into a dealer's possession* he should place the amount of it on the Dr. side of the Bills Receivable Account, and when he *parts with it* he should enter the amount of it on the Cr. side.

Notes on hand at commencing are entered on the Dr. side.

EXAMPLE.

Aug. 2, 1886.—Sold H. McDougall 12 bbls. Flour at \$5 ; 30 bush. Oats at 28c. Received in payment his note at 30 days for \$68 40. 5. Received from A. Burwash on account his note at 10 days for \$60. 6. Sold W. Cole, on his note at 3 months, goods valued at \$25. 7. Bought goods from J. Patterson amounting to \$60. Gave in payment A. Burwash's note for \$60.

Find the value of others' notes on hand.

<i>Dr.</i>	(<i>Others' Notes Received.</i>)	BILLS RECEIVABLE.	(<i>Others' Notes Parted With.</i>)	<i>Cr.</i>
1886				
Aug. 2	Received for Flour and Oats from H. McDougall	1886 63 40	Aug. 7 Gave for goods A. Burwash's Note	60
" 5	Received on account from A. Burwash ..	60		
" 6	Received for goods from W. Cole	25		
		— 153 40	Others' Notes on hand.	93 40
		— 153 40		— 153 40

EXERCISE X.

Aug. 9, 1886.—I have on hand L. Mason's note for \$240. 10. Sold H. Clark on his note goods worth \$50. 11. Received cash for L. Mason's note, \$240. 13. Received on account from D. Monroe his note for \$100. 14. Received cash for H. Clark's note for \$50. 16. Sold A. Pace on his note goods valued at \$45. Sold M. Rose on his note 12 yds. Broadcloth at \$3, \$—.

Find the amount of the notes on hand.

EXERCISE XI.

Aug. 23, 1886.—Commenced business investing as follows: H. Minto's note for \$300; C. Bolton's note for \$500. 24. Bought goods invoiced at

\$500, for which I gave in payment C. Bolton's note. 25. Sold F. Crosby on his note at 10 days goods valued at \$35. 27. Bought goods from M. Mann valued at \$40; gave in payment F. Crosby's note for \$35 and cash \$5 for balance. 28. Sold R. Martin on his note at one month goods worth \$60. 30. Received cash for R. Martin's note, \$60. Sold H. Calder on his note goods valued at \$37.

Find the value of others' notes on hand.

BILLS PAYABLE ACCOUNT.

When a dealer gives his written promise in payment for goods that he purchases that *written promise* represents value which is *payable* at some future time; therefore, he must not treat such a transaction as if he had bought the goods *on credit*. He has *paid* for them by giving his note. He will open a **Bills Payable Account** in which to enter the amounts of all notes which he signs and hands over to others.

When he *issues* a note he makes an entry of its amount on the Cr. side of the Bills Payable Account; but when he *redeems* it the amount is entered on the Dr. side. Notes *outstanding* are entered on the Cr. side.

EXAMPLE.

Nov. 1, 1886.—Note outstanding in favor of A. B. Dean, \$300.
 3. Bought goods of H. Holman; gave in payment of the same my note at 10 days for \$120. 5. Paid cash for my note favor of A. B. Dean, \$300.
 6. Bought on my note at 30 days of H. C. Menzies goods valued at \$240.
 9. Bought of A. McDonald on my note at three months goods valued at \$100. 13. Paid cash for my note favor H. Holman, \$120.

Find the value of my notes outstanding.

<i>Dr.</i>	(<i>My Notes Redeemed</i>)	BILLS PAYABLE.	(<i>My Notes Issued</i>)	<i>Cr.</i>
1886		1886		
Nov. 5	<i>Redeemed with cash my note favor A. B. Dean.</i>	300	Nov. 1 <i>Outstanding</i>	300
" 13	<i>Redeemed with cash my note favor H. Holman</i>	120	" 3 <i>Gave for goods to H. Holman</i>	120
			" 6 <i>Gave for goods to H. C. Menzies</i>	240
			" 9 <i>Gave for goods to A. McDonald</i>	100
	<i>Notes Outstanding....</i>	340		
		760		760
		====		====

EXERCISE XII.

Nov. 15, 1886.—Bought goods of G. McKay, for which I gave my note for \$100. Gave my note for \$50 to G. Smith on account. 17. Paid cash

for my note favor of G. McKay, \$100. 18. Gave my note for \$55 to H. Hilker for goods. 19. Paid cash for my note favor of G. Smith, \$50. 20. Bought of M. Manley 120 yds. Tweed at \$1 20. Gave in payment my note.

Find the amount of my notes outstanding.

For the next exercise the pupil will open a Bills Receivable Account and a Bills Payable Account.

EXERCISE XIII.

Dec. 1, 1886.—Commenced business with notes on hand amounting to \$550. 2. Bought goods on my note for \$320. Sold Peter Bruce, on his note, 24 yds. Tweed at 75c. 4. Bought of W. McMaster, on my note, 100 yds. Flannel at 35c. Received cash from Peter Bruce in payment of his note, \$18. 6. Sold Colin Campbell, on his note, 1 suit of clothes, \$20. 7. Bought of A. Hilker, on my note, 200 yds. Cotton at 11c. \$—.

(a) Find the value of others' notes on hand.

(b) Find the value of my notes outstanding.

For the next exercise the pupil is required to open all the necessary accounts ; that is, all the accounts affected by the transactions given.

EXERCISE XIV.

May 3, 1886.—Invested in business as follows : Cash, \$400 ; goods in store valued at \$200 ; James Reynar's note for \$40. 4. Bought of L. Mason, on my note, 200 bush. Wheat at 90c. 5. James Reynar paid cash for his note, \$40. 7. Sold Wm. Rose, for cash, 20 bush. Oats at 30c. 8. Sold W. Gordon, on account, 30 bush. Wheat at \$1. 10. Paid my note favor L. Mason with cash, \$180. W. Gordon paid cash in full of account, \$—. Sold out my entire stock of goods for \$340, cash.

(a) Find the amount of cash on hand.

(b) Find the loss or gain.

(c) What was I worth at commencing ?

(d) What was I worth at closing ?

EXPENSE ACCOUNT.

When a merchant buys articles, such as coal, wood, etc., which are *not* for sale, but for *use*, he should open an **Expense Account** to receive the amounts of them. In this account he may enter also amounts paid for rent, insurance, clerks' salaries, etc. •

All sums representing the *cost* of carrying on the business are entered on the Dr. side of the Expense Account.

When articles *charged to the Expense Account are sold* (which happens but seldom), the proceeds are placed on the Cr. side of it.

EXAMPLE.

June 1, 1886.—Paid cash for Coal, \$ 0. 2. Bought from H. McLaren, on account, 5 gals. Coal Oil at 30c. 5. Paid cash for Stationery, \$2, 7. Paid cash for Insurance, \$6. 9. Paid cash for Rent, \$10. 10. Bought of C. Dickson, on account, a Set of Books for store, \$5 40.

Find the total loss on expenses.

<i>Dr.</i>	(Cost.)	EXPENSE.	(Proceeds.)	<i>Cr.</i>
1886				1886
June 1	Coal	10	June 10	Loss
" 2	5 gals. Coal Oil at 30c.	1 50		34 90
" 5	Stationery	2		
" 7	Insurance	6		
" 9	Rent	10		
" 10	Books for store	5 40		
		34 90		34 90
		==		==

EXERCISE XV.

Oct. 1, 1886.—Paid for Fuel, \$10. 2. Bought from Jas. Keith, on account, a Set of Books for store, \$3 40. Paid for Postage, \$1 4. Paid for Insurance, \$5. 5. Bought of H. Burns, on account, 10 gals. Coal Oil at 30c. for use of store. 6. Paid clerk's salary, \$20.

- (a) Determine the loss on expenses.
- (b) What does the Dr. side of this account shew?
- (c) When are articles bought placed under the heading "Merchandise," and when under the heading "Expense"?

THE PROPRIETOR'S ACCOUNT.

When a dealer invests cash, goods, notes, or any other valuable consideration, in a business, he should open an account having his *own name* as its heading, and place all amounts *invested* and subsequent *gains* on the Cr. side of it. All debts assumed by the business at commencing, *withdrawals* and *losses*, should be placed on the Dr. side.

EXAMPLE.

Aug. 2, 1886.—Commenced business investing as follows : Cash, \$1,000 ; Goods on hand, \$400 ; Note against L. Mason, \$50. I owe H. Henry on account \$60. 12. Withdrew from the business cash \$40. 31. Net gain for the month of August, \$60.

Shew the condition of the Proprietor's Account on Sept. 1st.

<i>Dr.</i>	(Debts Assumed, Withdrawals and Losses.)	(*Pupil's Name Here.)	(Investment and Gains.)	<i>Cr.</i>
1886		1886		
Aug. 2	H. Henry's a/c.....	60	Aug. 2	Cash invested
" 12	Cash withdrawn	40	" 2	Goods "
" 31	Present worth	1410	" 2	L. Mason's note
		1510	" 31	Gains for the month.
		=====		1510

EXERCISE XVI.—REVIEW.

March 1, 1886.—Commenced business with cash on hand \$800. 2. Bought for cash of S. Hunter goods worth \$100. 3. Paid for Stationery with cash \$5. 4. Sold goods valued at \$25 to A. McIntyre on account. 5. Bought of J. Davis, on account, 200 bush. Wheat at \$1. 6. Bought of L. Mason, on my note, 35 bbls. Flour at \$6. Sold H. Huston, for cash, 10 bbls. Flour at \$6 50. 8. Sold A. McKay, on his note, goods valued at \$20. Paid cash for Fuel, \$15. 9. Received A. McIntyre's note in full of account, \$—. Gave my note to John Davis in full settlement of account, \$—. 10. Sold out my stock of goods for cash \$440.

RESULT.—Cash on hand, \$1,185; others' notes on hand, \$45; my notes outstanding, \$410, Expense Account shows a loss of \$20; gain on Merchandise, \$40: net gain, \$20. Present worth, \$820.

By the preceding part of the chapter the pupil will see that it is possible to record the transactions of a simple business, such as that of a farmer, mechanic or grocer in one "Book of Accounts."

The name of the account will be written in a large, plain hand at the top of the page of the Account Book. When an account is likely to be large several successive pages should be kept blank for it.

In recording the transactions care must be taken to give *full particulars*. Dates, prices, amounts, names of parties concerned, &c., should be stated distinctly. To allow sufficient space for this the Dr. and Cr. money columns may be placed side by side and to the right. See page 14.

In order that debits and credits may be readily distinguished the following should be attended to :

When entering a debit, place at the extreme left of the space for explanations, the word "To," and after it a full description of the transaction. The amount will be put in the left-hand money column.

When entering a credit, place the word "By" some distance from the left-hand side of the space for explanations, and after it a full description,

*The term "Stock" is commonly used as the title of this account. We do not employ it at this stage for fear of confusion.

as in the case of a debit. The amount will be extended to the right-hand money column.

The directions that have been already given will be found sufficient for the remaining exercises of this chapter.

The pupil who has performed thoughtfully the work of the previous exercises will have observed :

- (1) *That every transaction affects at least two accounts.*
- (2) *That the debits and credits of each transaction are of equal amount.*
- (3) *That some accounts shew losses or gains, while others shew values in favor of the dealer or against him.*

EXERCISE XVII.

Jan. 3. 1887.—Commenced business with cash in hand, \$500 ; goods in store, \$400.

“ 4. Bought goods of D. Gunn on account, \$240.

“ 5. Sold goods to B. E. Monroe on his note, \$45 50.

“ 7. Paid D. Gunn on account cash \$120.

“ 8. Sold H. Calder goods worth \$200. Received in part payment his note, \$110.

“ 11. Received cash in payment of B. E. Monroe's note, \$45 50.

“ 13. Gave D. Gunn my note to balance his account, \$—.

“ 14. Paid cash for Stationery and Postage, \$5.

“ 15. Bought goods of D. Gunn on my note, \$70. Paid cash for advertising, \$1 20.

“ 17. Sold Thomas Smith, on account, goods valued at \$18 60. Paid cash for Fuel, \$10.

“ 18. Received from H. Calder on account cash \$30.

“ 19. Redeemed my note favor of D. Gunn with cash \$—. Paid cash for Repairs, \$4.

“ 21. Sold Thomas Smith, on account, goods, \$70.

“ 22. Lent D. Gunn a \$10 bill.

“ 24. Received from Thomas Smith his note for \$80 on account.

“ 25. D. Gunn returned the money he borrowed, \$—.

“ 26. Bought a Stove for store. Gave in payment my note for \$15.

“ 27. Received cash in full payment of H. Calder's note, \$—. Paid clerk's salary, \$25.

“ 28. Received from H. Calder on account, cash \$40.

“ 29. Paid cash for Telegram, 25c.

“ 31. Sold out my stock of goods at auction for cash \$456 35. Paid the auctioneer \$6.

NOTE.—The pupil is expected to do all he can for himself ; this exercise is worked out simply to shew the proper form.

(Pupil's Name Here.)

Dr.

Cr.

1887						
Jan.	3	By Cash. Amt. invested			500	
"	4	" Mdse, "			400	
"	31	" Net gain			14	
		Net Worth	914			
			914		914	

CASH.

Dr.

Cr.

1887						
Jan.	3	To (Pupil's Name Here.), for Amt. on hand	500			
"	7	By D. Gunn. Pd. him on a/c			120	
		" Balance			380	
			500		500	
		To Balance brot. down	380			
"	11	" B. Rec. Rec'd for Monroe's note	45	50		
"	14	By expenses for Postage, etc			5	
"	15	" " " Advertising			1	20
"	17	" " " Fuel			10	
		" Balance			409	30
			425	50	425	50
		To Balance brot. down	409	30		
"	18	" H. Calder. Rec'd on a/c	30			
"	19	By B. Pay. Note favor D. Gunn			120	
"	"	" Expenses for Repairs			4	
"	22	" D. Gunn. Lent him \$10			10	
		" Balance			305	30
			439	30	439	30
		To Balance brot. down	305	30		
"	25	" D. Gunn. Returned loan	10			
"	27	By expense, Salary			25	
"	"	To B. Rec. H. Calder's note	110			
"	28	" H. Calder on a/c	40			
"	29	By expense, Telegram			25	
"	31	To Mdse. Sold stock of goods for cash	456	35		
"	"	By expense, pd. Auctioneer			6	
		" Balance			890	40
			921	65	921	65

MERCHANDISE.

Dr. Cr.

1887		To (Pupil's Name Here) Amt. of goods in store.	400			
Jan.	3	" D. Gunn. Bot. goods on a/c	240			
"	4	" By B. Rec. Sold goods for note		45	50	
"	5	" Sundries. Sold goods to H. Calder,				
"	8	\$200; part payt., note \$110		200		
"	15	To B. Pay. Bot. goods of D. Gunn for note	70			
"	17	By T. Smith. Sold goods on a/c		18	60	
"	21	" " " " "		70		
"	31	" Cash. Sold my stock of goods		456	35	
		Gain	80	45		
			790	45	790	45

BILLS RECEIVABLE.

Dr. Cr.

1887			45	50		
Jan.	5	To Mdse. Sold goods for note	45	50	.	
"	8	" " " " "	110			
"	11	By Cash for D Monroe's note		45	50	
"	24	To T. Smith for note on a/c	80			
"	27	By Cash for H. Calder's note		110		
		Others' notes on hand		80		
			235	50	235	50

BILLS PAYABLE.

Dr. Cr.

1887						
Jan.	13	By D. Gunn. Gave note on a/c			120	
"	15	" Mdse. Bot. goods for note			70	
"	19	To Cash, for note favor D. Gunn	120			
"	26	By Expense. Gave note for Stove			15	
		Our notes outstanding	85			
			205		205	

In actual business only one account usually appears on a page.

D. GUNN.

Dr. Cr.

1887					
Jan.	4	By Mdse. Amt. goods bot			240
"	7	To Cash. Amt. paid on a/c	120		
"	13	" B. Pay. Gave note on a/c	120		
			240		240
"	22	To Cash. Lent a \$10 bill	10		
"	25	By Cash. Returned loan		10	
			10		10

THOS. SMITH.

Dr. Cr.

1887					
Jan.	17	To Mdse. Sold goods on a/c	18	60	
"	21	" " " "	70		
"	24	By B. Rec. Rec'd his note on a/c. He owes us		80	60
			88	60	88 60

H. CALDER.

Dr. Cr.

1887					
Jan.	8	To Mdse. Sold goods on a/c	90		
"	18	By Cash on a/c.....		30	
"	28	" " "	40	20	
		He owes us		90	90

EXPENSE.

Dr. Cr.

1887					
Jan.	14	To Cash for Stationery and Postage	5		
"	15	" " Advertising	1	20	
"	17	" " Fuel	10		
"	19	" " Repairs.....	4		
"	26	" B. Pay., for Stove	15		
"	27	" Cash for Clerk's Salary	25		
"	29	" " Telegram		25	
"	31	" " Auctioneer	6		
		Loss		66	45
			66	45	66 45

EXERCISE XVIII.*

Jan. 3. 1887.—Commenced business with cash in hand \$400.
 " 5. Bought goods of A. Patterson on account, \$70.
 " 7. Bought goods of M. Anderson on my note at one month, \$40.
 " 8. Sold goods to Peter Cameron for cash, \$50.
 " 10. Paid cash for Stationery, \$1.60.
 " 15. Paid A. Patterson, on account, cash \$20.
 " 17. Bought goods of A. Patterson, on my note at 10 days, \$35.
 " 19. Sold A. Halden goods valued at \$60 on his note.
 " 21. Paid cash for Advertising, \$1.50.
 " 24. Paid for Repairs, cash \$5.
 " 25. Sold goods to Peter Cameron, \$60. Received in part payment
 his note for \$4. Deposited in bank cash \$300.
 " 27. Paid my note favor of A. Patterson with cash \$—.
 " 31. Sold my entire stock of goods for cash, \$16.10.
 " 28. Received from Peter Cameron, on account, cash \$10.

(a) Open the proper accounts as the transactions occur, and make the necessary entries.

(b) Find the loss or gain on merchandise.
 (c) Find the loss on expenses.
 (d) Shew how the Net Gain is found.
 (e) Find the proprietor's Net Worth Jan. 31.
 (f) How can the proprietor's Net Worth be obtained without making use of the Net Gain?

EXERCISE XIX.

Feb. 1. 1887.—Commenced business with cash in safe, \$400, and goods in store valued at \$700. Deposited in bank cash, \$250.
 " 2. Sold James Smith, on account, 20 bbls. Flour at \$4.50, \$—. Cash sales, \$40.
 " 3. Bought of A. C. Carson, on account, 200 bush. Wheat at 78c., \$—. Sold H. Macpherson, on his note at 5 days, 140 bush. Oats at 30c. Cash sales, \$56.40.
 " 4. Paid cash for Stationery, \$1.60. Bought of P. C. Taylor for cash, 152 bush. Barley at 52c., \$—. Paid cash for Coal Oil, \$1.20. Bought of W. Munroe, on my note at 10 days, 50 bush. Wheat at 80c., \$—. Cash sales, \$27.30.
 " 5. Received from James Smith, cash \$25. Paid cash for Fuel, \$6.50. Sold M. L. Jones, on account, 100 bush. Wheat at 80c., \$—. Sold D. Gaskin, on his note at 2 months, 30 bbls. Flour at \$5, \$—. Cash sales, \$20.70.
 " 7. Gave A. C. Carson my note at 2 months for \$100 in part payment of account. Received from James Smith, on account,

*The pupil is expected to do the work of XVIII. and XIX. in full, transferring directly to the "book of accounts." The accounts will be closed in the same manner as the preceding.

cash \$40. Paid for repairing store with cash, \$5.60. Cash sales, \$30.

Feb. 8. Paid A. C. Carson cash in full of account, \$—. Received from M. L. Jones, on account, cash \$35. Cash sales, \$24.90.
 “ 9. Received cash for H. Macpherson's note, \$42. Paid for Advertising, cash \$5.20. Cash sales, \$22.
 “ 10. Sold out the remainder of my goods to M. L. Jones, on account, for \$347.80.

(a) Find the loss or gain on merchandise.

(b) Find the loss on expenses; also the Net Loss or Net Gain. What is the Net Worth at closing?

(c) What is the amount of cash on hand? Of others' notes on hand? Of our notes outstanding?

(d) How much does James Smith owe us on account? M. L. Jones owes us how much?

CHAPTER II.

Book-keeping is the recording of business transactions in such a manner as to show the true condition of a dealer's finances.

There are two methods of keeping accounts, called **Double Entry** and **Single Entry**. The main distinction between them is this:—In a Single Entry Ledger *only Personal Accounts* are kept, while in a Double Entry Ledger accounts are kept with persons and things.

[As a result of this only one entry of a transaction is made in a Single Entry Ledger, while two are made in a Double Entry Ledger, one a debit and the other a credit.]

The **Fundamental Principle** of Double Entry Book-keeping is that the debits and credits of every transaction are of equal amount.

By the method exemplified in the preceding chapter transactions are entered directly into the book of accounts, called the **Ledger**.

THE LEDGER.

In the **Ledger** all the debits and credits arising out of the transactions of the business are collected and properly arranged under their respective headings.

When transactions are of a simple character the **Ledger** may furnish a sufficiently full record; but when a somewhat lengthy description is necessary this book is no longer suitable as one of original entry.

THE DAY BOOK.

The Day Book contains a plain and comprehensive statement of each transaction connected with the business, put in as short a form as possible. When a transaction takes place it is immediately recorded in this book, the following being clearly shewn :

- (1) The date of the transaction.
- (2) The name of the person or account.
- (3) The thing received or given.
- (4) The prices, quantities, &c., of the articles bought or sold.
- (5) The terms of payment.

THE JOURNAL.

The Journal contains the *Debits* and *Credits* arising from each transaction recorded in the Day Book, arranged in such a manner that they may be easily transferred to the Ledger.

NOTE.—The Journal becomes necessary only when the entries in the Day Book are somewhat complicated, and are, therefore, not conveniently carried therefrom to the Ledger.

DAY BOOK.

Toronto, September 1, 1886.

JOURNAL FOLIO.	Sold James Ross,—				
	200 Bbls. Flour at \$6.....	\$1,200			DOLLARS.
	150 " Apples at \$1	150			CENTS.
	<i>Received in payment cash</i>		\$1,000		
	<i>Balance on account</i>		350		
	<i>date</i>				

JOURNAL.

Toronto, September 1, 1886..

Dr. Cr.

LEDGER FOLIO.	Cash, Jas. Ross Dr.....				
	Jas. Ross ".....				
	To Merchandise.....				
	<i>date</i>				
DAY BOOK FOLIO.					
		1,000			
		350			
			1,350		
				DOLLARS.	
				CENTS.	
				DOLLARS.	
				CENTS.	

LEDGER.*

Dr.

Cash.

Cr.

1886											
Sept.	1	To Mdse		1,000							

JOURNAL FOLIO.

DOLLARS.

CENTS.

JOURNAL FOLIO.

DOLLARS.

CENTS.

Merchandise.

					1886						
					Sept.	1	By Sundries				1,350

James Ross.

1886											
Sept.	1	To Mdse		350							

RULES FOR DETERMINING DEBITS AND CREDITS.†

STOCK, OR THE PROPRIETOR'S ACCOUNT.

Debit for the amount of the proprietor's *liabilities assumed* by the concern at the time of commencing, for all *sums withdrawn*, and for the *Net Loss* (if any) at the time of closing.

Credit for the amount of the *investment* at commencing, for all sums *subsequently invested*, and for the *Net Gain* (if any) at the time of closing.

* When a Day Book is used the entries in the Ledger are as short as possible. The former contains the complete history of the transactions; the latter merely the results.

† By Debit is meant an entry made in such a manner as to shew the indebtedness of the person or thing represented by the Ledger title under which it is placed.

By Credit is meant an entry made in such a manner as to shew the amount due to the person or thing represented by the Ledger title under which it is placed.

The term "Stock" is commonly used as the heading of the account kept with the dealer. His name, or either of the terms "Capital" or "Proprietor," would be quite suitable.

When small sums are frequently withdrawn for private use, it is found convenient to open a "Private Account," into which to enter such. This account is closed into the Stock Account.

In a Partnership business an account should be opened with each partner, and it should be treated in a manner similar to the Stock Account.

MERCHANDISE ACCOUNT.

Debit for the value of the goods <i>on hand</i> at the time of commencing, for the cost of goods <i>subsequently purchased</i> , and for the value of goods <i>returned by customers</i> .	Credit for the <i>proceeds of sales</i> , for the value of goods <i>returned by us</i> , and for the value of goods <i>on hand</i> at the time of closing.
--	--

All goods bought *on speculation* are included under the heading "Merchandise." When a dealer wishes to know his gain or loss on any particular line of goods he must open a separate account for it.

Articles purchased for *use*, but not handled in connection with the business, do not belong to this account.

REAL ESTATE ACCOUNT.

Debit for the <i>value of the property represented at commencing</i> , for the <i>cost of that afterwards purchased</i> , and for all <i>charges</i> .	Credit for all amounts <i>against the property</i> represented at commencing, for <i>proceeds</i> , and for the <i>value of the property</i> at the time of closing.
--	--

Farms, stores, dwelling houses, &c., are usually included under this heading.

CASH ACCOUNT.

Debit for the amount of <i>cash on hand</i> at the time of commencing, and for all amounts afterwards <i>received</i> .	Credit for all amounts of cash <i>parted with</i> .
---	---

Checks, Sight Drafts, Bank Drafts, Bills of Exchange payable on demand, Post Office Orders, Certificates of Deposit, &c., are included under this heading. Generally, all paper which can be cashed *immediately*, when received by us, is regarded as cash.

PERSONAL ACCOUNTS.

Debit for the amounts <i>they owe us</i> at commencing, for their subsequent <i>indebtedness to us</i> , and for all payments which we <i>make to them</i> on account.	Credit for all amounts which we <i>owe them</i> at the time of commencing, for our subsequent <i>indebtedness to them</i> , and for all payments which they <i>make to us</i> on account.
--	---

BANK ACCOUNT.

Debit for the <i>amount deposited</i> at the time of commencing, and for all <i>other sums deposited</i> from time to time.	Credit for the amounts of <i>checks issued</i> , and for all sums otherwise <i>withdrawn</i> .
---	--

BILLS RECEIVABLE ACCOUNT.

Debit for the amount of others' notes, acceptances, &c., which are *on hand* at the time of commencing, and for the amounts of those afterwards *received*. || Credit for the amounts of others' notes, &c., *disposed of*.

Under this heading we put all written obligations which we hold *against others* that are *not payable on demand*, such as Promissory Notes, Time Drafts, &c.

BILLS PAYABLE ACCOUNT.

Debit for the amounts of our notes, &c., when they are *redeemed by us*. || Credit for the amount of our notes, &c., which are in the *possession of others* at the time of commencing, and for the amounts of those afterwards *issued*.

Under this heading we put all written obligations which others hold *against us*, such as Promissory Notes, Acceptances, &c.

EXPENSE ACCOUNT.

Debit for the *outlay* in running the business. || Credit for the *proceeds of sales* of articles formerly charged to this account, and for the value of such articles *on hand* at the time of closing.

Expense is a general term usually including Stationery, Postage, Office Books and Furniture, Rent, Salaries, Light, Fuel, &c.

If the dealer wishes to know the loss on any one of these he must open a separate account for it, debiting for the cost and crediting for the proceeds.

INTEREST AND DISCOUNT ACCOUNT.

Debit for sums *paid by us* for the use of money, and for sums *allowed by us* on debts paid to us before due. || Credit for sums *paid to us* for the use of money, and for sums *allowed to us* for debts paid by us before due.

Interest is an allowance made for the *use of money*.

Discount is an allowance made for the payment of a debt *before it becomes due*.

As Interest paid out and Discount allowed by us affect the business in exactly the same way it is not necessary to keep a separate account for each. The same may be said of Interest received and Discount allowed to us.

At the time of *commencing* accrued interest in our favor is debited, and that against us is credited.

At the time of *closing* accrued interest in our favor is credited, and that against us is debited.

GENERAL RULES.

All the preceding rules are included in the following general rules :

- (1) The **person, firm or corporation** receiving value without giving equal value *at the time* is made Dr., and the **person, firm or corporation** giving value without receiving equal value *at the time* is made Cr.
- (2) The **thing received** is made Dr., and the **thing parted with** is made Cr.

EXERCISE I.

1. Bought of James Brown goods on account worth \$30.
2. Paid R. Miller cash on account, \$100.
3. Received from L. McLeod cash \$1.50 on account.
4. Sold goods to M. Ray for cash, \$40.
5. Bought goods from R. McKay for cash, \$15.
6. Sold Peter McGarva, on his note, goods valued at \$50.
7. Bought of R. Ross \$100 worth of goods. Gave in payment my note.
8. H. Henry paid his note in cash, \$40.
9. Received from J. Jones \$10 on account.
10. Paid M. W. Hespeler \$100 on account.
11. Paid \$2 cash for Coal Oil for use in store.
12. Bought of R. Miller goods valued at \$45. Gave in payment my note at 30 days.
13. Bought of L. Mason goods valued at \$70. Gave in payment cash \$40, the balance on account.
14. Sold to James Johnston goods valued at \$90. Received in payment his note at 10 days for \$30 and cash for balance.
15. Bought of W. Hill, on my note at 60 days, goods worth \$90.
16. Sold H. Corbett, on account, 200 bush. Wheat at 90c.
17. Bought of L. Jones, for cash, 20 bush. Wheat at 85c.
18. Paid for Office Furniture, \$25 in cash.
19. Bought a House and Lot for \$900 in cash.
20. Paid for Fuel, cash \$5.

(a) Determine the debits and credits.

SET I.—RECORD OF TRANSACTIONS.

CLINTON, Sept. 1, 1886.—Commenced business on Albert Street, investing as follows :—Cash, \$500; 100 bbls. Flour at \$5.50; 300 bush. Wheat at 90c.; John Smith owes on account \$40.

Sept. 2. Bought of R. Mills, for cash, 100 bbls. Flour at \$5.

“ 3. Sold W. Hill, for cash, 50 bush. Wheat at \$1.05; 3 bbls. Flour at \$6.50.

“ 4. Sold R. Fullerton, on account, 25 bush. Wheat at \$1; 15 bbls. Flour at \$6.

“ Deposited in Bank cash \$50

Sept. 7. Sold J. Pace, on account, 50 bbls. Flour at \$6.10; 30 bush. Wheat at \$1.
 " 8. Received from John Smith in full of account, cash \$30, his note at 30 days for \$10.
 " 9. Paid cash for Books for use of Store, \$10.
 " 10. Lent R. Fullerton a \$5 bill.
 " 11. Paid H. McDonald for repairing doors, &c., cash \$1.
 " 13. Sold R. McNaughton 20 bbls. Flour at \$6.10, on his note at 30 days.
 " 15. Bought of P. McEwen, on my note at 10 days, 10 bbls. Flour at \$6.
 " 17. Received from R. Fullerton, on account, cash \$50.
 " 18. Sold J. Langdon 100 bbls. Flour at \$6.10. Received in payment an order on R. Fullerton for \$100; John Smith's acceptance for \$200; cash for balance, \$—.
 " 20. Received from R. Fullerton in payment of order from J. Langdon, cash \$100.
 " 21. Received J. Pace's note at 30 days in full of account, \$—.
 " 22. Paid for Fuel, cash \$10. Deposited in Bank, cash \$200.
 " 25. Paid cash for my note of 15th inst., \$—.
 " 27. Bought of A. Mann, on my note at 30 days, 30 bush. Wheat at 90c.
 " 28. Paid for Coal Oil, cash \$1.20.
 " 29. Sold L. Mason, on his note at 30 days, 10 bbls. Flour at \$6.10; 98 bush. Wheat at 90c.

Inventory, Sept. 30.

12 bbls. Flour at \$5.50.....	\$66 00
127 bush. Wheat at 90c.....	114 30
Total.....	\$180 30

SPECIMEN DAY BOOK.

The student should write up the Day Book from the Record of Transactions. When he makes an entry he should compare it with the corresponding entry in the Specimen Day Book. It is important to observe carefully the correct form. A loose sheet should be ruled and the entries made on it; when these are corrected they should be put in the blank book.

Clinton, September 1, 1886.

(Student's Name,) commences business this day on
Albert Street investing as follows:—

Cash on hand	500
100 bbls. Flour	\$5 50
300 bush. Wheat	550
John Smith owes	90
	270
	40
	1,360

2

Bought of R. Mills for cash,—
100 bbls. Flour

100 bbls. Flour	\$5	500
-----------------------	-----	-----

3

Sold W. Hill for cash,—

50 bush. Wheat	\$1 05
3 bbls. Flour	52 50
	6 50
	19 50
	72

4

Sold R. Fullerton on a/c,—

25 bush. Wheat	\$1	25
15 bbls. Flour	6	90
		115

6

Deposited in Bank,—

Cash	50
------------	----

7

Sold J. Pace on a/c,—

50 bbls. Flour	\$6 10	305
30 bush. Wheat	1	30
		335

8

Received from John Smith in full of a/c,—

Cash	30
His note at 30 days for	10
	40

9

Paid cash for Books for Store

10

	10
--	----

Lent R. Fullerton a \$5 bill

5

	11
--	----

Paid H. McDonald for repairing doors, etc., cash.

1

2,488

Clinton, September 13, 1886.

	<i>Brought forward</i>				2,488
Sold R. McNaughton,—					
20 bbls. Flour	\$6 10				
Received in payment,—					
His note at 30 days for	\$122				122
	15				
Bought of P. McEwen, on my note at 10 days,—					
10 bbls. Flour	\$6				60
	17				
Received from R. Fullerton on a/c,—					
Cash					50
	18				
Sold J. Langdon,—					
100 bbls. Flour	\$6 10				610
Received in payment,—					
An order on R. Fullerton	\$100				
John Smith's acceptance	200				
Cash for balance	310				
	20				
Received from R. Fullerton in payment of Order received from J. Langdon,—					
Cash					100
	21				
J. Pace gave his note at 30 days in full of a/c.....					335
	22				
Paid for Fuel with cash					10
	22				
Deposited in Bank,—					
Cash					200
	25				
Paid cash for my note of 15th inst					60
	27				
Bought of A. Mann on my note at 30 days,—					
30 bush. Wheat	\$ 90				27
	28				
Paid for Coal Oil with cash					1 20
	29				
Sold L. Mason on his note at 30 days,—					
10 bbls. Flour	\$6 10				
98 bush. Wheat	90				
	61				
	88				
	20				
	149				
	20				
	4,212				
	40				
Inventory,—					
Flour, 12 bbls	\$5 50				
Wheat, 127 bush	90				
	66				
	114				
	30				
Total.....		180	30		

SPECIMEN JOURNAL.—SET I.

The simplest form of the Journal is here presented. The pupil will rule properly a loose sheet and make the Journal entries on it; he will then compare his work with the model, correcting it wherever necessary. After this he is in a position to use the blank form. The narrow column to the right is for the page of the Day Book. This is to be filled as soon as the Journal entry is made. The column to the left is for the page of the Ledger, and must not be filled until after the entry is posted. As soon as an entry is transferred from the Day Book to the Journal the page of the Journal must be placed in the column to the left of the Day Book.

Clinton, September 1, 1886.

LED. FOL.	Cash	Dr.	25	500	
	Mdse.	"		820	
	John Smith	"		40	
		To Stock	25		
		2			1,360
	Mdse.	Dr.	25	500	
		To Cash			500
		3			
	Cash	Dr.	25	72	
		To Mdse			72
		4			
	R. Fullerton	Dr.	25	115	
		To Mdse			115
		6			
	Bank	Dr.	25	50	
		To Cash			50
		7			
	J. Pace	Dr.	25	335	
		To Mdse			335
		8			
	Cash	Dr.	25	30	
	Bills Rec.	"		10	
		To John Smith			40
		9			
	Expense	Dr.	25	10	
		To Cash			10
		10			
	R. Fullerton	Dr.	25	5	
		To Cash			5
		2,487			2,487

Clinton, September 11, 1886.

LED. FOL.	Brought forward			D.B. FOL.	2,487	2,487
	Expense	Dr.	To Cash			
			To Cash	25	1	1
		13				
	Bill Rec.	Dr.	To Mdse	26	122	122
		15				
	Mdse.	Dr.	To Bills Payable	26	60	60
		17				
	Cash	Dr.	To R. Fullerton	26	50	50
		18				
	R. Fullerton	Dr.		26	100	
	Bills Rec.	"			200	
	Cash	"	To Mdse		310	
		20				610
	Cash	Dr.		26	100	100
		To R. Fullerton				
		21				
	Bills Rec.	Dr.		26	335	335
		To J. Pace				
		22				
	Expense	Dr.		26	10	10
		To Cash				
		25				
	Bank	Dr.		26	200	200
		To Cash				
		25				
	Bills Payable	Dr.		26	60	60
		To Cash				
		27				
	Mdse	Dr.		26	27	27
		To Bills Payable				
		28				
	Expense	Dr.		26	1 20	1 20
		To Cash				
		29				
	Bills Rec.	Dr.		26	149 20	149 20
		To Mdse				
					4,212 40	4,212 40

LEDGER INDEX.

A	E	I	O	U	Y
A					
B	Bank 32				
C	Cash 30				
D					
E					
F					
G					
H					
I & J					
K					
L					
M					
N					
& O					
P	Pace, J. 32				
& Q					
R S					
& T					
U V					
& W					
X Y					
& Z					
Fullerton, R. 32					
Smith, John 32					
Stock 30					

INDEX TO LEDGER.—EXPLANATION.

It is important to index an account just before opening it in the Ledger, as this will prevent the occurrence of two accounts having the same heading.

The form presented is termed a vowel index. When there are a great many accounts in the Ledger, such an arrangement of the titles as is here shown will be found convenient. If an account has to be transferred for the first time from one page to another, the figure 2 will be placed over the figures indicating the new page. If it is transferred for the second time, the figure 3 will be used. This number will shew the order of opening the account on any of the pages on which it appears.

The pupil will observe that each horizontal space represents a page of an index, such as would be used in actual business.

This form of index is so simple as to be easily understood by the pupil who will study it carefully.

SPECIMEN LEDGER. SET I.

<i>Dr.</i>	(Debts at commencing, Withdrawals and Net Loss, if any.)	<i>Stock.</i>	(Investments and (Net Gain, if any.)	<i>Cr.</i>
1886				1886
			Sept. 1 <i>By Sundries</i>	1,860

1. Why has no entry been made on the Dr. side?
 2. What is posted to the Cr. side?
 3. In what accounts are the debits corresponding to the credit of this account found?
 4. What does the difference between the sides of this account shew?

REMARKS.—The term "Stock" stands for the Proprietor's name. Either "Proprietor" or "Capital" would be quite suitable. As this account must shew the dealer's Net Worth it cannot be closed until the Net Gain or Net Loss has been found.

(Received.)			<i>Cash.</i>	(Paid Out.)		
1886			1886			
Sept. 1	<i>To Stock</i>	500	Sept. 2	<i>By Mdse</i>	500	
" 3	" <i>Mdse</i>	72	" 6	" <i>Bank</i>	50	
" 8	" <i>John Smith</i>	30	" 9	" <i>Expense</i>	10	
" 17	" <i>R. Fullerton</i>	50	" 10	" <i>R. Fullerton</i>	5	
" 18	" <i>Mdse</i>	310	" 11	" <i>Expense</i>	1	
" 20	" <i>R. Fullerton</i>	100	" 22	"	10	
			" 25	" <i>Bank</i>	200	
			" 25	" <i>Bills Payable</i>	60	
			" 28	" <i>Expense</i>	1 20	

1. What appears on the Dr. side of the Cash account? What on the Cr.?
 2. If there is a difference between its sides, which is the greater? Why?
 3. What does this difference represent?
 4. In making a statement of Resources and Liabilities, and also a statement of Gains and Losses from this Ledger, into which would you place the amount of cash on hand?

REMARKS.—The student must endeavor to grasp the meaning of the terms used in No. 4. Having done this, he will have but little difficulty in distinguishing the two great classes of accounts from one another. What are those classes?

<i>Dr.</i>	(cost.)	<i>Merchandise.</i>	(Proceeds.)	<i>Cr.</i>
1886			1886	
Sept. 1	To Stock	820	Sept. 3	By Cash
" 2	" Cash	500	" 4	" R. Fullerton
" 15	" Bills Pay	60	" 7	" J. Pace
" 27	" "	27	" 13	" Bills Rec.....
			" 18	" Sundries
			" 29	" Bills Rec.....

- What does the first entry on the Dr. side of this acct. show?
- What does the Dr. total represent?
- What the Cr.?
- When the Mdse. is all sold, what must the difference between the sides show?

REMARKS.—By the Inventory the goods remaining unsold are worth \$180.30. When these goods were bought the cost of them was entered on the Dr. side of this account, but as they are still on hand and therefore represent value, this account must be credited with such value before it is in a position to show whether the dealer has gained or lost on Merchandise.

(Other's Notes Received.)		<i>Bills Receivable.</i>	(Other's Notes Parted With.)	
1886				
Sept. 8	To John Smith....	10		
" 13	" Mdse	122		
" 18	" "	200		
" 21	" J. Pace.....	335		
" 29	" Mdse	149 20		

- What does the Dr. footing shew?
- Why is there no entry on the Cr. side?
- How many notes are now on hand?
- What entry in this acct. when a note is collected?

5. Whether would the difference between the sides of this account be put into a statement of Resources and Liabilities, or into one of Gains and Losses?

(My Notes Redeemed.)		<i>Bills Payable.</i>	(My Notes Issued.)	
1886			1886	
Sept. 25	To Cash	60	Sept. 15	By Mdse.....
		60		60
		—		—
			Sept. 27	By Mdse
				27
				—

- Why was this acct. closed on Sept 25th?
- Why re-opened on the 27th?
- When is an entry made on the Dr. side?
When on the Cr.?

REMARKS.—It is customary to close an account whenever the footings of its sides are found equal, and to re-open it when further entries are to be made in it.

<i>Dr.</i>	(Amount Deposited.)	<i>Bank.</i>	(Amount Withdrawn.)	<i>Cr.</i>
1886				
Sept. 6	To Cash	50		
" 22	" "	200		
1. What does the Dr. side shew?				
2. What the Cr.?				
3. How much is deposited?				
4. Whether does this show a Resource or a Liability? Explain.				
5. In what way do business men pay their debts with money deposited?				
6. How does this account resemble a Personal Account?				

	(My Account Against Him.)	<i>John Smith.</i>	(His Account Against Me.)
1886			
Sept. 1	To Stock	40	
		—	
		40	
1. Why was this account closed on Sept. 8th?			
2. What does the Dr. side of every Personal Account shew?			
3. Explain the entry made on Sept. 1st.			

	(My Account Against Him.)	<i>R. Fullerton.</i>	(His Account Against Me.)
1886			
Sept. 4	To Mdse	115	
" 10	" Cash	5	
" 18	" Mdse	100	
1. What does the difference between the sides of this account shew?			
2. What is meant by Personal Account			

	(My Account Against Him.)	<i>J. Pace.</i>	(His Account Against Me.)
1886			
Sept. 7	To Mdse	335	
		—	
		335	
1. Explain the closing entry.			
2. When is a Personal Account debited?			
3. When credited?			
4. Is it necessary to take this account into consideration when testing the equilibrium of the Ledger? Why?			

	(Outlay.)	<i>Expense.</i>	(Proceeds.)
1886			
Sept. 9	To Cash	10	
" 11	" "	1	
" 22	" "	10	
" 23	" "	1 20	
1. What kind of outlay comes under this heading?			
2. Here the debit side amounts to \$22.20. Whether would this be entered in a Statement of Gains and Losses or in one of Resources and Liabilities? Explain.			
3. Which side of this account is likely to be the greater?			
4. How does this account affect the Stock Account?			

TRIAL BALANCE.

Whenever the posting is complete, the pupil should test its correctness by taking off a Trial Balance. As every debit has its corresponding credit, the sum of the debits must be equal to that of the credits; or, in other words, the Ledger must be in equilibrium. If such is not the case one error at least has crept in, and it must be discovered before any further progress is made. The Student will commence with the first acct. in the Ledger. He will find the Dr. total (if any), entering it in pencil, as it is to be erased afterwards. He will then add the Cr. side and enter it as before. All the open accts., in the Ledger, are to be treated in a similar manner. This being done, the results will be arranged as shown by the form given below. If the amounts of the Dr. and Cr. columns are the same, the Ledger is, of course, in balance. By adding to these the totals of the closed accts., an additional test is furnished; as the results should correspond to the totals of the Day Book and Journal.

When the Trial Balance is satisfactory, it is assumed that the work is correct.

Trial Balance.—Set 1.

F. L.	ACCOUNTS.	DR.	CR.
30	Stock		1,360
30	Cash	1,062	837 20
31	Mdse	1,407	1,403 20
31	Bills Rec.	816	20
31	Bills Pay		27
32	Bank	250	
32	R. Fullerton	220	150
32	Expense	22	20
<i>Proof of Equilibrium</i>		3,777	40
<i>Amount of Closed Accts.</i>		435	435
<i>Total</i>		4,212	40
		4,212	40

In business the books are usually balanced once a month and the Trial Balances are properly filed. The best method is to keep a **Trial Balance Book**, which is ruled so as to have a set of columns for each month of the year.

DETECTING ERRORS.

Many rules have been given for detecting errors in the Trial Balance, but only a few of these are found to be of any practical value.

The following directions may prove helpful :

- (1.) Make sure that the columns of the Trial Balance are properly added.
- (2.) Test the footings of the accounts in the Ledger.
- (3.) Find out whether the footings are transferred correctly to the Balance Sheet or not.
- (4.) Add the columns of the Journal to see if it balances.
- (5.) Examine each Journal entry by itself, and also the posting of it, checking in both the Journal and the Ledger. Place the check mark (\checkmark) opposite each amount.
- (6.) Look through the Ledger for unchecked entries, and when one is found search for the cause of its appearance.

In most cases it will not be necessary to resort to all these; but until the error is found the foregoing should be applied in the order in which they are given.

CORRECTING ERRORS.

Day Book. No erasing is allowable in a book of original entry. If the amount is wrong rule a light red line through it, and then enter the correct amount over that which has been cancelled. But if the entry is altogether astray, and if it has gone no further than the Day Book, mark it "void, corrected page—," and make a new entry on the page mentioned, there referring to the one on which it first appeared. It may be necessary to make explanatory entries. These will be discussed hereafter. Whatever the correction made, it must not in any way render illegible the original entry.

Journal. When the Journal is not the book into which the transactions are entered as they occur, an occasional erasure of a word or figure does not seem very objectionable; but, if an entry is altogether wrong, it should be marked "void," the proper references being given. Cross entries are sometimes employed to correct errors in the Journal.

Ledger. If the wrong amount is given, correct it; but if the entry is made to the wrong account make ciphers of the figures expressing the amount and post correctly. When two accounts having the same heading are opened, as is almost sure to be the case if the indexing is not properly attended to, close one of them into the other and give the proper reference. If the same amount should be twice entered, the best way of correcting it is to make in the second entry ciphers of the figures in the money column.

The student will make out the following statements from his own Books:

I. Statement of Losses and Gains.—Set I.

ACCOUNTS.		LOSSES.	GAINS.
Merchandise.....	Cr.—Proceeds..... \$1,403 20		
"	" Unsold..... 180 30		
"	Dr.—Cost..... \$1,583 20	1,407 00	
Expense.....	Gain.....	22 20	176 50
	Dr.—Outlay, Loss.....	154 30	
	<i>Difference or Net Gain.....</i>		
		<u>176 50</u>	<u>176 50</u>

By **Resources or Assets** we mean all values either in our possession or owing to us by others, which are applicable to the payment of debt: by **Liabilities** we mean all values which we owe to others.

II. Statement of Resources and Liabilities.—Set I.

ACCOUNTS.		RESOURCES.	LIABILITIES.
Cash.....	Dr.—Amount rec'd..... \$1,062 00		
"	Cr. " paid out 837 20		
	Bal. on hand.....	224 80	
Bills Rec.....	Dr.—Others' notes rec'd.....	816 20	
Bills Payable.....	Cr.—My notes issued		27
Bank.....	Dr.—Amount deposited	250	
R. Fullerton	Dr.—My account against him	\$220 00	
"	Cr.—His account against me..... 150 00		
	Bal. due me	70	
Merchandise.....	Amount unsold, valued at	180 30	
	<i>Difference or Present Net Worth.</i>		<u>1,514 30</u>
		<u>1,541 30</u>	<u>1,541 30</u>
Proof.....	{ Net Investment \$1,360 00 " Gain..... 154 30		
	Present Net Worth	\$1,514 30	

THE TWO CLASSES OF ACCOUNTS.

The pupil, who has endeavored faithfully to answer the questions given in connection with the accounts in the Ledger of Set I, must have seen that two sets of results can be obtained from it. The Dr. total of the **Cash Account** is \$1,062, which means simply that that amount of Cash was *received* during the term of business. The Cr. side shows that \$837.20 was *pail out* in the time mentioned. The difference between the amount received and the amount paid out obviously represents the *cash on hand*, which, in this particular case, is \$224.80. Is this a Resource or, in other words, is it something owned by the dealer, to which a financial value is attached? A moment's reflection will make clear that when a difference exists, the Dr. side of the Cash Acct. must be the greater, consequently, when it does not close itself, it must shew, what in business language is termed, an *Asset* or *Resource*.

Again, consider **R. Fullerton's Acct.** The Dr. total is \$220, that is, our account against him amounts to that sum. But his acct. against us amounts to \$150, therefore there is a balance of \$70 in our favor. From a financial point of view this is looked upon as property which belongs to us, hence it is an *Asset* or *Resource*. If the Cr. side had been the greater the balance would have been in his favor and for that reason would have been to us a *Liability*. Hence a Personal Acct. shews either a *Resource* or a *Liability*.

Take now the **Mdse. Acct.** The Dr. side represents the cost of the goods, and the Cr. side the proceeds. If the property is all sold the difference between them must evidently shew the *gain* or *loss*. If the Dr. side is the greater the difference is a *loss*, but if the Cr. is the greater the difference is a *gain*. If a part of the goods remains unsold, the account must be credited with its value.* After this is done the difference between the sides will be the gain or loss on the merchandise handled. The property *unsold* should manifestly be considered a Resource. We come to the conclusion then that when the Mdse. Acct. does not close itself it exhibits a *Gain* or a *Loss*.

If this is true of the Mdse. Acct. it holds good for the very same reasons in the case of all **Property Accts.**

The **Expense Acct.** evidently shews a *Loss*; but it is unnecessary to multiply examples, as the foregoing are quite sufficient to establish the fact that *accounts may be divided into two classes*, viz.:

(1) RESOURCE AND LIABILITY ACCOUNTS.

(2) LOSS AND GAIN ACCOUNTS.

* Suppose that a dealer has bought 500 bush. of wheat at \$1, and that he has sold 200 bush. at \$1.10. It is obvious that he has gained 10c. per bush. on the amount sold, or \$20 in all. Now on the Dr. side of the Mdse. Acct. there will appear \$500, while on the Cr. there will be only \$220; therefore, to make the account shew the gain, the value of the 300 bush. unsold must be placed on the Cr. side.

CLASSIFICATION OF THE ACCOUNTS OF SET I.

<i>Resource and Liability Accounts</i>	<i>Cash Bank Bills Receivable Bills Payable John Smith R. Fullerton J. Page (Stock)</i>
<i>Loss and Gain Accounts</i>	
	{ <i>Merchandise Expense</i>

It will be observed that this classification is based on the relation of the various accounts to the financial position of the proprietor. For that reason the Stock Acct., which shows the proprietor's standing *absolutely*, not relatively, cannot strictly be regarded as belonging to either class. It is here taken with the Resource and Liability Accts., because it closes in the same manner as the others of that class.

CLOSING THE LEDGER.

In business it is customary, at least once a year, to make an estimate of the value of the goods on hand, and to close such accounts as shew losses and gains. The object of doing this is to find **Stock's Net worth**, which is done by carrying the net gain or net loss, as the case may be, to the Stock Account.

The accounts shewing resources and liabilities may also be closed when it is desirable to do so, and the balances may be brought down at once or transferred to an account which may be opened in the Ledger for the purpose of receiving them.

GENERAL DIRECTIONS FOR CLOSING.

- (1.) If not already done, test the equilibrium of the Ledger by taking off a Trial Balance, as described.
- (2.) Open a Loss and Gain Account, if not already opened, into which to close every account that shows by the difference between its sides either a loss or a gain.
- (3.) Open a Balance Account into which to close the remaining accounts in the Ledger. This account will receive all the Inventories.
- (4.) If an account has an Inventory representing a Resource enter its amount on the Cr. side of the account in red ink "*By Bal. Inventory*," transferring it at once to the Dr. side of the Balance Account. But if the Inventory should represent a Liability its amount must be entered in red ink on the Dr. side of the account to which it belongs, "*To Bal. Inventory*," and then be transferred to the Cr. side of the Balance Account. The heading of the account having the Inventory will be used in the Balance Account as "*To*" or "*By Mdse.*," "*To*" or "*By Real Estate*," &c.

and the entry will be in black ink. This being done in the case of all the accounts having Inventories, the Ledger is in a proper condition for closing.

(5.) Omitting the Stock Account, examine the next in order, so as to determine whether it shews a *resource*, a *liability*, a *loss* or a *gain*, by the difference between its sides. If a resource or a liability, is shewn enter the difference on the smaller side in red ink "To" or "By Balance," as the case may be, carrying the amount at once to the opposite side of the Balance Account, and using for explanation the heading of the account just closed. If a loss or gain is shewn enter the amount in red ink on the smaller side "To" or "By Loss and Gain," as the case may be, and transfer to the opposite side of Loss and Gain Account, using for explanation the heading of the account just closed, as "By" or "To Mdse.," "By" or "To Expense." Proceed as described until all the accounts in the Ledger are closed, except Stock, Loss and Gain, and Balance.

(6.) Take a Second Trial Balance to see if the three accounts now open are in equilibrium.

(7.) Close Loss and Gain into Stock by making in red ink, on the smaller side, the entry "To" or "By Stock." Carry the Net Gain or Loss thus found in the Stock Account and make the entry in black ink on the Cr. side, if it is a gain, but on the Dr. side if a loss. In a partnership business the net gain or loss will be divided according to the terms of contract, and entered into the partners' accounts as into Stock Account.

(8.) Close Stock (or the partners' accounts) into Balance, which ought to close itself.

SPECIMEN LEDGER CLOSED.

Dr.

Stock.

Cr.

1886			1886			
Sept. 30	To Balance.....		1,514	Sept. 30	By Sundries.....	1,360
			1,514	" " Loss and Gain	154	
						1,514
				Oct.	By Bal. from old a/c.....	1,514

Cash.

1886			1886			
Sept. 1	To Stock	500	Sept. 2	By Mdse.....	500	
" 3	" Mdse.....	72	" 6	" Bank.....	50	
" 8	" John Smith..	30	" 9	" Expense	10	
" 17	" R. Fullerton..	50	" 10	" R. Fullerton..	5	
" 18	" Mdse.....	310	" 11	" Expense	1	
" 20	" R. Fullerton..	100	" 22	"	10	
			" "	" Bank.....	200	
			" 25	" Bills Payable..	60	
			" 28	" Expense	1	20
			" 30	" Balance.....	324	30
		1,062				
Oct. 1	To Bal. on hand..	224 80				1,062

Merchandise.

1886			1886			
Sept. 1	To Stock	820	Sept. 3	By Cash	72	
" 2	" Cash.....	500	" 4	" R. Fullerton..	115	
" 15	" Bills Payable..	60	" 7	" J. Pace.....	335	
" 27	" "	27	" 13	" Bills Rec.....	122	
" 30	" Loss and Gain	176 50	" 18	" Sundries	610	
			" 29	" Bills Rec.....	149	20
			" 30	" Bal. Inv.....	180	30
		1,583 50				
Oct. 1	To Bal. as per Inv.	180 30				1,583 50

<i>Dr.</i>	<i>Bills Receivable.</i>			<i>Cr.</i>
1886				1886
Sept. 8	To John Smith ...	10		
" 13	" Mdse.....	122		
" 18	" "	200		
" 21	" J. Pace	335		
" 29	" Mdse.....	149 20		
		816 20		
		=====		
Oct. 1	To Bal. from old a/c...	816 20		
		=====		

Bills Payable.

Bank.

1886			1886		
Sept.	6	To Cash.....	50	Sept.	30 By Balance.....
"	22	" "	200		250
			250		250
Oct.	1	To Bal. from old a/c.....	250		

John Smith.

				1886			
Sept.	1	To Stock	40		Sept.	8	By Sundries.....
			40				40

Dr.

R. Fullerton.

Cr.

1886			1886			
Sept. 4	To Mdse		115	Sept. 17	By Cash	50
" 10	" Cash		5	" 20	" "	100
" 22	" Mdse.....		100	" 30	" Balance.....	70
			220			220
Oct. 1	To Bal. from old a/c.....		70			

J. Pace.

1886			1886			
Sept. 7	To Mdse.....		335	Sept. 21	By Bills Rec.	335
			335			335

Expense.

1886			1886			
Sept. 9	To Cash.....		10	Sept. 30	By Loss & Gain..	22 20
" 11	" "		1			
" 22	" "		10			
" 28	" "		1 20			
			22 20			

Loss and Gain.

1886			1886			
Sept. 30	To Expense.....		22 20	Sept. 30	By Mdse	176 50
" "	" Stock		154 30			
			176 50			176 50

Dr.

Balance.

Cr.

1886			1886			
Sept. 30	To Mdse		Sept. 30	By Bills Pay.....		
" "	Cash	180 30	" "	" Stock	27	
" "	Bills Rec.	224 80				1,514 30
" "	Bank	816 20				
" "	R. Ful'erton..	250				
		70				
			1,541 30			
			1,541 30			

NOTE.—The student will notice that the closing entry of the Loss and Gain Acct. always shews the Net Loss or Net Gain; and, also, that the closing entry of the Stock Acct. always shews the Net Insolvency or Net Worth. He will observe, too, that all the Resources appear on the Dr. side of the Balance Acct., and all the Liabilities on the Cr. side.

EXERCISE II.

1. Invested in business, cash \$150; goods in store, \$100.
2. Bought for cash 12 bush. Wheat at \$1.10.
3. Sold John Smith, on account, 2 bbls Apples at \$1.20.
4. Paid clerk's salary, \$10.
5. Received from John Smith \$1.50, on account.
6. Deposited in Bank \$30.
7. Bought, on my note at 60 days, 200 lbs. Sugar at 7c.
8. Sold James Jones, on his note, 10 bush. Wheat at \$1.
9. Paid for Coal for fuel, \$2.
10. Bought of John Smith, on account, 100 lbs. Pork at 5c.
11. Withdrew \$20 from Bank.
12. Paid rent, \$5. Goods unsold worth \$130.

(a) Make in proper form the Day Book entries.
 (b) Transfer to the proper accounts in the Ledger.
 (c) Make out the statements and close the Ledger.
 (d) What are the different ways of finding the Net Worth?

EXERCISE III.

Oct. 1, 1886.—Invested in business cash \$400; 150 lbs. tea at 45c.
 " 2. Sold Henry Brown, on account, 20 lbs. tea at 50c.
 " 4. Bought 12 bbls. Apples from L. McKay at \$1.10 Gave in payment my note at 30 days.
 " 5. Deposited in Bank \$300.
 " 8. Sold M. Nagle 3 bbls. apples at \$1.20, on account.
 " 11. Sold James Ross, for his note at 3 months, 8 bbls. apples at \$1.20.
 " 12. Sold D. McCown 1 bbl. apples at \$1.20, and 50 lbs. tea at 50c.
 " 13. Sold remainder of goods on hand for \$40 cash.

(a) Make the Day Book entries.
 (b) Post directly from the Day Book.

(c) What appears on the Dr. side of Mdse.? What on the Cr.? What does the difference shew?

(d) What does the difference between the sides of the Bank Account shew? The Cash Account? Henry Brown's account?

RECORD OF TRANSACTIONS.—SET II.

Oct. 1, 1886.—(*Student's Name*) commenced business, investing as follows.
 Cash, \$2,500; John Morrison owes on acct., \$40; Jas. Jones holds a note against me for \$60.

- “ 2. Bought of J. Ross on acct., 4 bbls. Sugar, 1,000 lbs. net., at 10c.
- “ 4. Deposited in Bank \$500.
- “ 5. Sold David McNaughton, 2 bbls. Sugar, 500 lbs. net., at 11c.
 Received in payment an order on Thomas Brown.
- “ 6. Bought of L. Porteous for cash, 10 chests Y. H. Tea, 600 lbs., at 70c.
- “ 7. Bought on my note at 60 days, from L. Mason, 2 hhds. Molasses, 126 gals., at 75c.
- “ 9. Sold R. Fullerton, on his note at 30 days, 4 chests Y. H. Tea, 240 lbs., at 75c.
- “ 12. (*Student's Name*) withdrew Cash for private use \$100.
- “ 14. Sold John Robinson 30 gals. Molasses at 80c.; 300 lbs. Sugar at 11c. Received in payment his note at 10 days for \$40, an order on James Jones for \$10, and cash for balance.
- “ 15. Paid Cash for Office Furniture, \$30.
- “ 16. Paid my note favor James Jones with cash, \$60.
- “ 18. Withdrawn from the Bank \$200.
- “ 19. Received from John Morrison on acct. cash, \$30.
- “ 21. Prepaid my note favor of L. Mason. Face, \$94.50; discount allowed, \$2.50. Paid balance in cash. [Discount is here allowed in my favor, therefore I must give credit to the Interest and Discount Account for \$2.50. As Interest and Discount are in effect the same, only one account is commonly kept for both.]
- “ 25. Received from Thomas Brown cash on account \$40.
- “ 28. Sold D. Cameron, on his note at 10 days, 50 gals. Molasses at 80c.
- “ 29. John Robinson paid his note, received 14th inst., with cash, \$—
 “ Paid one month's rent, \$40.

Inventories, Oct. 20th.

Mdse.—200 lbs. Sugar at 10c.....	\$ 20 00
360 lbs. Tea at 70c.....	252 00
46 gals. Molasses at 75c.....	34 50
Total.....	\$306 50

Set II. is to be worked out according to the instructions given for Set I.

Allow 5 lines for the Mdse. Acct., 8 for the Cash Acct., 4 for the Bills Rec. Acct., and 3 for each of the others. The following statement is to be made and the Ledger closed as in Set I.

Combined Statement—Set II.

ACCOUNTS IN LEDGER.	DR.	CR.	RESOURCES.	LIABILITIES.	LOSSES.	GAINS.
Stock.....	160	2,540				
Cash.....	2,817	1,242	1,575			
Merchandise.....	614 50	332	306 50			24
Bills Receivable.....	260	40	220			
Bills Payable (closed)	154 50	154 50				
Thos. Brown.....	55	40	15			
John Morrison	40	30	10			
Jas. Jones	10		10			
Bank	500	200	300			
Jas. Ross.....		100		100		
Expense.....	70				70	
Interest & Discount.....		2 50				2 50
<i>Stock's net inv'st. \$2,380</i>						
" " loss.....		43 50				43 50
" " worth.....						
	4,681	4,681	2,436 50	2,436 50	70	70

CHAPTER III.

BUSINESS FORMS.

In this chapter a number of business forms of a simple character are given. The pupil will require to become familiar with these, as it is necessary for a person keeping a set of books to be able to write off-hand any invoices, bills, notes, &c., that may be required in connection with transactions. Besides this, the study of business forms gives the pupil more definite ideas of the real nature of many of the transactions themselves than could otherwise be attained.

BILLS AND ACCOUNTS.

A Bill is a detailed statement given by the seller to the buyer shewing the quantity, quality and price of goods sold or services rendered. The date of the transaction and the names of the buyer and seller must also appear on it.

A bill is *receipted* when the words "Received Payment," or other words to the same effect, are written at the bottom of it followed by the signature of the creditor.

When goods are bought *on account* a bill of them should always be taken.

EXERCISE I.

Sept. 13, 1886. The Central Store, Port Elgin. J. K. Lamont buys of H. Muir & Co., on account, 20 yds. of Factory Cotton at 11c.; 12 yds. Cashmere at \$1.10; 30 yds. Scotch Tweed at \$1.20; 25 lbs. Sugar at 9c.; 10 lbs. Black Tea at 75c.; 9 lbs. Japan Tea at 60c.; 7 lbs. Java Coffee at 40c.

(a) Make out the bill on the last day of Sept.

(b) Receipt it in full on Oct. 1.

Port Elgin, Sept. 30, 1886.

Mr. J. K. LAMONT,

Bought of H. MUIR & CO.

1886							
Sept.	13	<i>To 20 yds. Factory Cotton... at 11</i>		2	20		
	" 12 "	<i>Cashmere..... " 1 10</i>		13	20		
	" 30 "	<i>Scotch Tweed..... " 1 20</i>		36			
	" 25 lbs.	<i>Sugar..... " 9</i>		2	25		
	" 10 "	<i>Black Tea..... " 75</i>		7	50		
	" 9 "	<i>Japan "..... " 60</i>		5	40		
	" 7 "	<i>Java Coffee..... " 40</i>		2	80		
Oct.	1	<i>Received Payment, H. MUIR & CO., * per L. N.</i>				69	35

EXERCISE II.

Oct. 14, 1886. The Dry Goods Palace, Kincardine, Ont. Peter Cameron buys of McGillivray & Kennedy, on account, 20 yds. Print at $8\frac{1}{2}$ c.; 40 yds. Muslin at 13c.; 25 yds. Flannel at 32c.; 4 Silk Ties at 50c.; 2 doz. Hankerchiefs at 14c. each; $2\frac{1}{2}$ yds. Tweed at 85c.

Oct. 18, 1886. Peter Cameron buys of McGillivray & Kennedy 13 yds. Ribbon, at 25c.; $3\frac{1}{2}$ yds. Silk Velvet at \$3.

Oct. 23. Peter Cameron pays cash \$10.

(a) Make out and render the bill at the end of the month.

(b) Render a statement of this on the last day of November.

[When a bill has been rendered, but not settled at the proper time, it is not customary to give the items again unless they are demanded. It is considered sufficient to refer to the itemized bill by using the words, "To account rendered," or "To Bal. of old account." The latter is used if a part has been paid.]

* This bill is receipted by a clerk having authority to attach the signature of H. Muir & Co. to such papers. The letters "L. N." are his initials.

EXERCISE III.

Oct. 4, 1886. The City Book Store, Winnipeg, Man. S. H. McMahon buys of Alex. M. Calder, on account, 2 High School Algebra at 75c.; 3 Mason's Grammar at 90c.; 2 Campbell's Geography at 75c.; 1 Smith's Conic Sections at \$2.60; 2 Gage's Physics at \$1.50.

Oct. 11, 1886. S. H. McMahon buys of Alex. M. Calder 2 Hallam's Constitutional History of England at \$1.75.

Oct. 26. S. H. McMahon pays, on account, cash \$5.

Dec. 6. S. H. McMahon pays cash in full of account.

(a) Render the bill Oct. 30.

(b) Render a statement Nov. 30.

(c) Receipt the statement Dec. 6.

INVOICES.

An **Invoice** is a detailed description of goods shipped or delivered, shewing the marks, quantities, and values of all packages, &c. An invoice is sent by the seller to the buyer, and it should have in it the names of these parties, as well as the date and place of sale.

When goods are shipped to another country a **certified invoice** should be sent, as such will be required by the collector of customs.

Montreal, Jan. 1, 1887.

Messrs. SMITH & CO.,

Barrie, Ont.

Bought of MURRAY & FISHER,

Importers and Wholesale Dealers in Groceries.

Forwarded by G. T. R.

Terms—Note at 4 mos.

4	Bags Coffee, Java, 221-4, 222-4, 229-5, 226-5, <small>898</small> <small>18</small>	880	0.22	193	60
3	Bbls. Sugar, Granulated, 262-22, 293-23, 273-22, <small>828</small> <small>67</small>	761	0.09 $\frac{1}{4}$	70	39
	Cartage.....				25
				264	24

RECEIPTS.

A **Receipt** is a written acknowledgment of having received money or other value.

When a person pays value which *has been charged* he should take a receipt for it.

(Receipt in Full of Account.)

\$15. TORONTO, July 1, 1886.
Received from N. D. McKinnon Fifteen Dollars in full of account.
H. A. LANGDON.

(Receipt for Payment on Account.)

\$15. TORONTO, July 1, 1886.
Received from N. D. McKinnon Fifteen Dollars on account.
H. A. LANGDON.

(Receipt for Rent.)

\$150, TORONTO, July 1, 1886.
Received from L. Mason, One Hundred and Fifty Dollars in payment
for rent of Stores Nos. 220 and 222 Yonge St., for quarter ending June
30, 1886.

W. WEST & CO.

(Agent's Receipt.)

\$10. OSHAWA, May 29, 1886.
Received from James Jones, Ten Dollars in full of his account with
Hugh Black.

JACOB R. RUSSELL,
*Agent.**(Receipt for Interest Due.)*

\$70. CLINTON, July 1, 1886.
Received from B. Keillor Seventy Dollars in full for one year's interest,
due this day on his mortgage to me, dated February 4th, 1880, for Seven
Hundred Dollars.

WILLIAM MILLS.

(Indorsement on Note.)

\$30. PEMBROKE, Oct. 1, 1886.
Received on account of the within note Thirty Dollars.
C. W. MILNE.

(Receipt for Borrowed Money.)

\$300. SOUTHAMPTON, May 1, 1886.
Received from C. A. Leeds Three Hundred Dollars, which I promise to
pay on demand with interest from date.

D. M. SINCLAIR.

(Receipt for Note.)

\$300. SOUTHAMPTON, May 10 1886.
Received from L. M. Cassidy his note of this date at sixty days for
Three Hundred Dollars in full of account to the 30th ult.

D. McGILLIVRAY.

DUE BILL.

A Due Bill is a written acknowledgment of a debt.

(*Non-negotiable.*)

\$100.

OSHAWA, Dec. 10, 1886.

Due John S. Pace to be paid to himself only, on demand, One Hundred Dollars.

H. A. TAYLOR.

(*Negotiable by Indorsement.*)

\$100.

OSHAWA, Dec. 10, 1886.

Due John S. Pace, or order, on demand, One Hundred Dollars.

H. A. TAYLOR.

The Due Bill given above is said to be negotiable because J. S. Pace can transfer it to a third party after writing his name on the back of it. Both Pace and Taylor will be held responsible for payment of it. By Negotiable Paper we mean all notes, due bills, drafts, &c., which can be legally transferred as value from one to another, the holder having the right to sue for payment at the time of maturity in his own name.

(*An I. O. U.*)

\$100.

OSHAWA, Dec. 10, 1886.

I. O. U. One Hundred Dollars.

H. A. TAYLOR.

A simple I. O. U., containing no promise to pay, is not negotiable.

CREDIT NOTES.

A Credit Note is an acknowledgment of the return of goods or of an error in an Invoice. In form it is the same as an Invoice, with the exception that the words "Credited by" must be used instead of "Bought of."

ORDERS.

An Order is a written request for the payment of money or the delivery of goods, on account of the person whose signature is attached to it.

(*Non-negotiable.*)

\$140.

GRIMSBY, June 25, 1886.

Messrs. Carey & Co. please pay James Hutcheson only, One Hundred and Forty Dollars and charge to the account of

MOLLOY & WILSON.

(*Negotiable by Indorsement.*)

\$100.

ST. CATHARINES, May 1, 1886.

Messrs. Tait & Co. please pay W. Lamb, or order, One Hundred Dollars and charge to my account.

H. P. McLAREN.

If W. Lamb wishes to transfer the order given above to another person he must sign his name across the back of it. When he does this he is said to *indorse* it.

(*Negotiable without Indorsement.*)

MONTRÉAL, Oct. 1, 1886.

MESSRS. MCKAY & CO.

Gentlemen,—Please deliver to H. A. Conn, or bearer, goods from your store to the value of One Hundred Dollars and charge to my account.

\$100.

J. W. RANKIN.

EXERCISE IV.

November 1, 1886. Bought of H. Muir & Co. 120 yds. Tweed at 90c. Gave in payment an order on Thomas Craig for \$100, and cash for balance.

November 2. Sold S. Kennedy 27 yds. Carpet at 60c.; 13 yds. Broad-cloth at \$4.20; 5 yds. Farmer's Satin at 55c. Received in payment an order for \$40, drawn by S. H. Tate on P. Bruce, indorsed by S. Kennedy, and cash for balance.

November 4. Returned goods valued at \$25 to A. Allen, and received a due bill for that amount in goods.

- (a) Write the order on Thomas Craig.
- (b) Write the order received from S. Kennedy and indorse it properly.
- (c) Write the due bill received from A. Allen.

PROMISSORY NOTES.

A Promissory Note is an unconditional promise in writing made by one person to another, signed by the maker, engaging to pay, on demand or at a fixed or determinable future time, a sum certain in money, to, or to the order of, a specified person, or to bearer.

The person who promises to pay is called the **maker**, and the person in whose favor the promise is made is called the **payee**.

Requisites of a Note.

- (a) There must be a *promise in writing*.
- (b) The promise must be for the payment of *money*.
- (c) The sum of money must be *specified*.
- (d) The sum specified must be payable *unconditionally*.
- (e) The time specified for payment must be *sure to arrive*. [If no time for payment is expressed it will be payable on demand.]
- (f) There must be a *valuable consideration* to support it.
- (g) It must be made by a person capable of becoming legally *accountable for the payment of it at maturity*.

(*Non-negotiable.*)

CLINTON, April 10, 1886.

\$400.

Three months after date I promise to pay J. Y. Morris only, Four Hundred Dollars, value received.

E. A. HODGSON.

When a note (or bill) contains words clearly prohibiting transfer, it is a *non-negotiable* instrument, and must therefore be held by the payee till it falls due.

(Negotiable by Indorsement.)

CLINTON, May 24, 1884.

\$2,000.

Four months after date, I promise to pay A. Forrester, or order, Two Thousand Dollars, value received.

E. A. HODGSON.

A transferable note is usually made payable to the *order* of the payer or to *bearer*. The omission of the words "order" or "bearer" does not, however, prohibit transfer.

If A. Forrester wishes to transfer the foregoing note, it being payable to his order, he must indorse it by signing his name across the back of it.

The maker of a note is the one *primarily* liable, but each indorser is liable to succeeding holders in default of payment by the maker. A subsequent indorser is not liable to a prior indorser.

When the payee writes only his name the indorsement is said to be *in blank*, and it has the effect of rendering the note payable afterwards to any *bona fide* holder. The payee thus becomes the indorser and as such is responsible for payment.

If the payee writes above his signature, "Pay to the order of A.," the indorsement is *in full*. In this case A. will have to indorse the note in order to transfer it.

If the payee writes above his signature, "Pay to A. only," or "Pay to A. on account of B.," or "Pay to A., or order, for collection," the indorsement is *restrictive*. This indicates that A. is merely an agent to receive the money, and not a purchaser of the note.

In case the indorser does not wish to render himself liable for payment, he should write "Without recourse" above his name.

An indorsement must comply with the following conditions :

- (i) It must be written on the note itself, and be signed by the indorser either in his own handwriting, or in that of some one duly authorized by him.
- (ii) It must be an indorsement of the entire note; *i.e.*, it must transfer the whole amount payable to the indorsee.
- (iii) If there are two or more payees, it must be made by all of them, unless they are partners, or one of them is duly authorized to indorse for all.

(Negotiable without Indorsement.)

TORONTO, July 1, 1886.

\$10.

Thirty days after date, I promise to pay John Smith, or bearer, Ten Dollars, value received.

W. McMANN.

When a note is made payable to *bearer* it is negotiable without indorsement, delivery being all that is necessary.

In calculating the date of maturity of a note three days must be allowed after the time expressed, that is, it falls due on the third day after its term has expired. If this day is one of public rest, the note is not due till the following day. The three days allowed are termed *days of grace*. These vary in different countries.

When the term of a note is given in months, calendar months are meant, and no allowance is made for a deficiency in the number of days in any month. This being the case, the pupil will see that four notes drawn at 2 months and bearing dates Dec. 28, Dec. 29, Dec. 30, Dec. 31 respectively, will become due on the same day, viz.: March 3 of the next year.

The day on which the note is dated is not counted in computing the date of its maturity.

(Payable at Bank.)

PORT ELGIN, April 13, 1886.

\$40.

Sixty days after date I promise to pay John Wilson, or order, Forty Dollars at the Bank of Hamilton here, value received.

J. J. SCOTT.

When a note becomes due, which happens on the third day after the time expressed, it *must be presented for payment* during business hours at the place mentioned in it. If no place is stated, it should be presented at the maker's place of business or at his residence.

Unless a note is presented on the very *day of maturity* the holder loses his remedy against the indorsers, although the maker is still liable.

Should the maker refuse to pay it, the proper demand being made, it is then the duty of the holder to give *due notice* to all parties to it. He may have it protested if he chooses.

A *protest* is a declaration on the part of the holder of a note or bill against any loss to be sustained in consequence of non-payment when it becomes due.

The payment of a note must be made within business hours on the day of its maturity to the true holder or his representatives.

The person paying a note has a right to a receipt, which is usually written on the back of the note.

(Negotiable with Interest.)

DUNDAS, May 1, 1886.

\$1,200.

Thirty days after date, I promise to pay J. T. Ross, or bearer, Twelve Hundred Dollars, with interest at eight per cent., value received.

H. K. LAMONT.

The foregoing note bears interest at 8 per cent. for a period of 33 days, beginning May 2 and ending June 3. In default of payment on the latter date, it afterwards bears interest at the legal rate until it is paid. When it is the intention to make a note bear a specified rate of interest after maturity as well as before, words expressing this clearly should be inserted.

In case no payment is made on a note within six years after the date of maturity, or after the date of the last payment made subsequently, the note ceases to be a legal obligation.

(Payable on Demand.)

ST. CATHARINES, May 1, 1886.

\$200.

On demand, I promise to pay Jonas Clark, or order, Two Hundred Dollars, value received.

D. McDougall.

No days of grace are allowed on demand notes.

(Joint Note.)

WALKERTON, June 1, 1886.

\$950.

Three months after date, we promise to pay S. L. Cameron, or order, Nine Hundred and Fifty Dollars, value received.

BENJAMIN LAWTON.
A. S. AMOS.

If a note is signed by two or more persons, and if the promise to pay is expressed thus, "We promise, &c.," as in the foregoing, it is termed a *joint note*.

If payment is not made, the makers should be sued jointly.

(Joint and Several Notes.)

BRANTFORD, May 3, 1886.

\$150.

One year after date, we jointly and severally promise to pay Peter Cooper, or order, One Hundred and Fifty Dollars, value received.

L. SMITH.

J. MACPHERSON.

If a note signed by two or more persons contains the words "I promise, &c.," or "We jointly and severally promise," it is termed a *joint and several* note.

The foregoing note is, so far as security to the holder is concerned, the same as any one of the following, viz.: The joint note of L. Smith and J. Macpherson, the note of L. Smith and the note of J. Macpherson.

ACCOMMODATION NOTES.

An **Accommodation Note** is one to which a person has put his name as indorser, without value passing, merely to accommodate some other party by enabling him to get it discounted.

The note is made payable to the order of a certain person, who indorses it and gives it back to the maker. Being thus rendered negotiable the maker can get it discounted, as both he and the indorser are liable for payment to the holder.

CHATTEL NOTES.

A **Chattel Note** is a written promise to pay otherwise than in money.

SOUTHAMPTON, Oct. 1, 1886.

\$100.

Thirty days after date, I promise to pay Jas. Wilson One Hundred Dollars worth of good timothy hay at eight dollars per ton, to be delivered at Port Elgin, Ont.

A. H. ROBINSON.

CHECKS.

A **Check** is a written order on a bank, made by one having money deposited therein, for the payment of a specified sum to a certain person or to his order, or to bearer.

When a check is drawn payable to the order of the person named in it he must indorse it before he can transfer it.

A check should be presented for payment within banking hours not later than *one day* after that one on which it is received.

In filling a check the particulars should be entered first on the stub.

No.	No.	TORONTO,.....	188....
Date 188.....	THE BANK OF TORONTO		
Favor of _____	Pay to or Bearer,		
\$ ..... \$ .....	..... 100 Dollars.		

EXERCISE V.

Sept. 1, 1886. Bought of H. Corbett goods valued at \$120. Gave in payment my note at 30 days for \$75, and an order on Henry Brown for balance. Sold P. Cooper goods valued at \$25.50. Received in payment John Thompson's note at 2 months, dated Aug. 24, 1886. Face of note \$25.50. Bought of S. Jarrett 16 cords of Wood at \$2 per cord, to be paid in goods from store. He took goods valued at \$10, and I gave him a due bill for the balance.

- (a) Write the note given to H. Corbett and also the order.
- (b) Write the note received from P. Cooper.
- (c) Write the due bill given to S. Jarrett.
- (d) Define negotiable paper. What does it embrace?

EXERCISE VI.

Sept. 2, 1886. Bought of A. McKay 300 bbls. Apples at \$1.20; 40 bush. Wheat at 70c.; 120 bush. Oats at 30c. Gave in payment my check on the Molsons Bank for \$120; an order on J. Taylor for \$100; H. Kennedy's note in my favor, dated May 24th, 1886, and drawn at 5 mos. for \$70; and my own note at 30 days, payable at the Molsons Bank, for the balance.

- (a) Write the invoice received from A. McKay.
- (b) Write the check, the order, and the two notes given in payment for the goods, the former being negotiable by indorsement and the latter being negotiable without indorsement.
- (c) Find the date of maturity of each note.

EXERCISE VII.

1. Date of note, Jan. 4, 1886. Time to run, 8 mos.
2. Date of note, Feb. 28, 1886. Time to run, 3 mos.
3. Date of note, Mar. 1, 1886. Time to run, 3 mos.
4. Date of note, Mar. 31, 1886. Time to run, 3 mos.
5. Date of note, Mar. 30, 1886. Time to run, 3 mos.
6. Date of note, April 30, 1886. Time to run, 4 mos.
7. Date of note, May 1, 1886. Time to run, 4 mos.
8. Date of note, Oct. 20, 1886. Time to run, 30 days.
9. Date of note, July 15, 1887. Time to run, 90 days.
10. Date of note, Oct. 13, 1887. Time to run, 60 days.

- (a) Find the date of maturity of each of the foregoing notes.
- (b) Explain why it is that there are four days between the dates of maturity in (2) and (3).
- (c) Why is it important to know exactly the day on which a note becomes due? Explain fully.

CHAPTER IV.

This chapter presents a number of sets for practice. In order to test the pupil's knowledge of the preceding chapters, as well as to teach him self-reliance, he is required to work out each set for himself. The results and only such hints as experience has proved absolutely necessary are given.

Two very important auxiliaries are introduced in connection with Set IV., viz., the Cash Book and the Bill Book.

Set VI. illustrates the Day Book and Journal combined.

EXERCISE I.

1. Sold Peter Smith, on account, goods \$20.
2. Sold James Jones, for cash, goods \$40.
3. Sold Peter Cooper, on his note, goods \$10.
4. Bought goods for cash \$20.
5. Bought goods, on account, from M. L. Hay, \$5.
6. Bought goods, on my note, from M. L. Hay, \$5.
7. Paid M. L. Hay, on account, \$5.
8. A. Mann paid me, on account, cash \$6.
9. Peter Cooper paid his note with cash \$10.
10. Gave my note for goods, \$30.
11. A. H. Hay settled with me by giving me his note in full of account, \$40.
12. Gave my note for \$10 to John Jamieson, on account.
13. Deposited in Bank cash \$100.
14. Lent M. L. Hay \$50.
15. M. L. Hay returned the money lent.
16. Peter Smith paid, on account, cash \$10.
17. James Jones gave me Mdse. in payment of his account, \$30.
18. Sold Mdse. to H. Huston, \$30. Received in payment cash \$20, and his note for the balance \$10.
19. Lost cash from my pocket \$5.
20. Bought a pair of gloves for cash \$1.
21. Paid for advertising, cash \$20.
22. Sold Mdse. to H. Huston and received in payment my own note which he held, \$70.
23. Paid cash for a suit of clothes, \$20.
24. Gave my note for a suit of clothes, \$20.
25. Sold 5 suits of clothes to J. Benson at \$20. \$100.

(a) Journalize the foregoing transactions. [This is intended as an oral exercise to test the pupil's knowledge of the rules given.]

SET III.—GROCERY AND PROVISION BUSINESS.

Books used—Day Book and Ledger.

RECORD OF TRANSACTIONS.

CLINTON, Sept. 1, 1886.—Leased a store of H. R. Mann at \$15 per month and commenced business investing cash \$340.

2. Bought of A. McHardy, on account, goods invoiced at \$500.
Paid Cash for Fuel \$5.
3. Sold A. H. McCorie for cash 25 lbs. Tea at 50c.; 1 box Starch at 90c.; 3 boxes Blacking at 10c. Paid cash for Coal Oil \$1.50.
6. Paid A. McHardy cash, on account, \$300.
8. Sold C. Dingman 10 lbs. Tea at 60c.; 25 lbs. Coffee at 30c.; 35 lbs. Sugar at 9c.; 2 bbls. Flour at \$5.50 per bbl. Received in payment cash \$10, the balance to remain on account, \$—.
10. Paid cash for Postage \$1.20; for Advertising \$1.50.
13. Received from C. Dingman cash, in full of account, \$—.
15. Sold out my stock of goods for cash \$495.35. Paid H. R. Mann half a month's rent with cash \$7.50.

(a) Make the Day Book entries.

(b) Transfer from the Day Book to the Ledger.

(The Journal is unnecessary as the transactions are of a simple character.)

(c) Take off a Trial Balance and make the statements.

(d) Close the accounts.

Result.—Net Gain, \$20. Present Worth, \$360. Cash on Hand, \$560.

SET IV.—EXPLANATIONS.

Two very important books are now brought before the notice of the pupil for the first time. The Cash Book receives the entries of all cash transactions, and the Bill Book the particulars of all notes, &c., connected with the business. The pupil will enter each transaction first into the Day Book. He will then enter it into the Cash Book if it is a cash transaction, and into the Bill Book if a note is involved. He will observe that a transaction may affect both of these books, or only one of them. As soon as the posting for October is completed a Trial Balance will be taken off, and after the Ledger is found to be in equilibrium a statement of Losses and Gains, and also a statement of Resources and Liabilities will be made. The accounts showing losses and gains will then be closed into the Loss and Gain account, which in its turn will be closed into Stock, or the Proprietor's account. The investment for the second month will be taken from the statement of resources and liabilities for the first. All the accounts in the Ledger for November will be closed after the proper statements are made.

SET IV.—FURNITURE BUSINESS.

(FIRST MONTH'S TRANSACTIONS.)

Books used—Day Book, Journal, Ledger, Cash Book and Bill Book, the two latter being auxiliaries.

RECORD OF TRANSACTIONS.

Oct. 1, 1886. (Student's Name) has this day commenced the furniture business, investing as follows: Cash, \$1,200; Furniture on hand, \$800. J. Ross owes, on account, \$30; L. Mason has to his credit \$40.

2. Bought of J. Richardson, on my note at 60 days, 2 doz. Bedsteads at \$3 each.
5. Sold J. Ross for cash 2 Centre Tables at \$15; 5 French Bedsteads at \$20.
6. Bought of J. Richardson for cash 10 Arm Chairs at \$5; 6 Extension Tables at \$25.
7. Sold G. Johnson, on his note at 60 days, $\frac{1}{2}$ doz. Kitchen Chairs at \$6 per doz.; 1 Extension Table at \$28; 1 Easy Chair at \$7.50.
8. Deposited in the Merchant's Bank \$1,000.
9. Bought from F. Hood 2 tons of Coal for fuel at \$7. Gave in payment my check.
11. Sold A. Hilker, on account, 5 carved Blk. Walnut Chairs at \$6.
16. Paid clerk's salary with check \$10.
19. Paid cash for Insurance \$20.
20. Sold N. McKinnon for cash 1 corner What-not, Blk. Walnut, at \$10.
21. Sold G. McKay 1 Blk. Walnut Parlor Suite, \$150. Received in payment his note at 30 days for \$100 and cash for balance.

Cash Received.

1886						
Oct.	1	(Student's Name)	Investment.....		1,200	
"	5	Mdse.....	Sold J. Ross.....		130	
"	20	"	" N. McKinnon.....		10	
"	21	"	" G. McKay		50	
"	27	A. Hilker	On Account		20	
"	30	Mdse.....	Sold J. Bruce		60	1,470
						1,470
Nov.	1	Balance	Cash on hand.....	247	80	

22. Bought Mdse., as per Invoice, from W. Tinsdale, \$300. Gave my note at 2 months for \$100, my check for \$100, the balance to remain on account.
 23. Paid \$2.20 for Postage and Stationery.
 26. Sold J. Ross, on account, 2 Extension Tables at \$30.
 27. Received from A. Hilker, on account, cash \$20.
 29. Sold H. Calder, on account, 1 Parlor Suite, \$60.
 30. Sold for cash to J. Bruce 2 Extension Tables at \$30. Paid clerk's salary with check, \$10.

Inventory.—Goods unsold valued at \$883.50.

Result.—Net Loss, \$6.20; Net Capital at the beginning of November, \$1,983.80.

SET IV.—CASH BOOK.

The **Cash Book** is kept for the purpose of recording all Cash Transactions. It is customary to enter the amounts received on the left hand side, and the amounts paid out on the right hand side of the Cash Book. In an extensive business this book should be balanced every night; in a limited business once a week may perhaps be enough. The amount of money on hand as shewn by the Cash Book should correspond to that found by counting. A comparison can be made at any time without balancing the Cash Book *formally*. Should a difference exist its cause must be searched for as soon as possible, and the error corrected. When the Cash Book is used as an auxiliary care must be taken to see that it agrees with the Cash Account in the Ledger when the posting is completed.

The names of the other accounts affected appear in the column after that containing the date. The next column contains an explanation of each transaction, as can be seen by referring to the form given.

Cash Paid Out.

1886							
Oct.	6	Mdse.	Bo't of J. Richardson.....	200			
"	8	Merchants' Bank ..	Deposited.....	1,000			
"	19	Expense	Insurance.....	20			
"	23	"	Postage and Stationery....	2	20	1,222	20
		Balance	Cash on hand,.....			247	80
						1,470	
							=

BILL BOOK.

The **Bill Book** is kept for the purpose of recording in a form convenient for reference the particulars of written obligations, which we receive from others and which others receive from us. It is divided into two parts, into one of which are entered all the *Bills Receivable* and into the other the *Bills Payable*. This book is sometimes used as one of original entry and sometimes as an auxiliary merely. In either case it must be in harmony with the corresponding accounts in the Ledger. The simplest form is here presented. The method of entering notes, &c., in this book is so plainly seen as to need but little explanation.

The particulars are to be entered in the Bill Book at the time the notes are received or issued. This is very important, especially when this book is one of original entry.

As our notes issued are not in our own possession we must necessarily refer to the Bill Book for the particulars of them.

When a note is paid, or otherwise disposed of, the last columns are to be filled as indicated; and, as a safe-guard, a red ink line is to be ruled through the figures expressing the amount.

Great care must be taken in finding the date of maturity, as an error in this may be followed by serious consequences.

Bills

No.	When received.	Payer.	Indorser.	For what received.	Where Payable.	DATE.		Time.
						Year.	Month.	
1	Oct. 7	G. Johnson		Mdse.	Merchants' Bk	1886	Oct. 7	60 ds.
2	" 21	G. McKay		"	"	"	" 21	30 ds.

Bills

No.	When given.	To whom given.	In whose favor.	For what given.	Where Payable.	DATE.		Time.
						Year.	Month.	
1	Oct. 2	J. Richardson ..	J. Richardson ..	Mdse.	Molsons Bank.	1886	Oct. 2	60 ds.
2	" 22	W. Tinsdale ...	W. Tinsdale....	"	"	"	" 22	2 m's.

REMARKS ON CLOSING.

The pupil will bear in mind that in actual business the Ledger should be *tested* every month to see whether it is in equilibrium or not. Although this involves considerable work it is the best plan to adopt, as it often saves time and trouble. But it is only at certain times, usually once or twice a year, that an inventory is taken, and the accounts shewing losses and gains are closed. The object of this is to make the account kept with the dealer shew his true financial standing, which is effected by crediting it with the Net Gain or debiting it with the Net Loss. The difference between its sides will then shew the Present Worth. All inventories must be brought down when re-opening the accounts to which they belong respectively.

The other accounts of the Ledger, that is, those which shew resources and liabilities may or may not be closed at such a time. Under ordinary circumstances they are usually left open. But when it is desired to *mark an era in the business, to prepare for receiving a partner, or to prepare for transferring the accounts to a new Ledger*, the Resource and Liability accounts should be closed and the balances carried to the new accounts.

Receivable.

Year.	WHEN DUE.												Amount.	When and how disposed of.
	Jan.	Feb.	Mar.	Apr.	May.	June	July	Aug.	Sept.	Oct.	Nov.	Dec.		
1886													38	50
1886									23	9			100	

Payable.

Year.	WHEN DUE.												Amount.	When and how redeemed.
	Jan.	Feb.	Mar.	Apr.	May.	June	July	Aug.	Sept.	Oct.	Nov.	Dec.		
1886													72	
1886										25	4		100	

SET IV.—Continued.

(SECOND MONTH'S BUSINESS.)

RECORD OF TRANSACTIONS.

Nov. 1, 1886. *Pupil's* investment shewn by Balance Sheet for October.

2. Bought from J. Richardson Mdse., as per invoice, \$400. Gave in payment my note at 60 days for \$200, an order on H. Calder for \$60, and my check on Merchants' Bank for balance.
5. Sold L. Mason, on account, 1 Blk. Walnut Bookcase at \$70.
6. Sold A. Hilker 1 Easy Chair at \$10; 1 Sofa at \$40; 1 Black Walnut Hall Stand, \$30. Received in payment his note at 15 days for \$50 and his check for balance.
9. Gave W. Tinsdale my note at 10 days in full of account, \$—.
10. Paid cash for Postage and Stationery, \$3.
11. Deposited in Merchants' Bank \$200.
15. Received from J. Ross, on account, his note at 10 days for \$60.
17. Received from A. Hilker his check in full of account, \$—.
19. Sold J. Bruce 2 Centre Tables at \$30. Received in payment his note at 2 months for \$40; check for balance, \$—.
23. Received from J. Ross, on account, cash, \$20.
24. Bought a Stove for store, \$25, with my note at 2 months. Received cash from A. Hilker for his note, as per B. B.
25. Bought from R. Henderson Mdse., as per Invoice, \$150. Gave in payment my check for \$100; the balance to remain on account.
27. Paid clerk's salary with cash \$20. Paid my note favor of W. Tinsdale with check \$—.
30. Sold by auction entire stock of goods for cash \$1,320; and Stove for cash \$20. Paid the auctioneer for his services cash \$5.

Result.—Net Gain, \$63.50; Net Capital at closing, \$2,047.30.

The pupil will make out a statement of Losses and Gains, and also a statement of Resources and Liabilities corresponding to those which follow. These are *not* to be copied, but to be taken from the pupil's ledger.

Set IV.—Statement of Losses and Gains.

(Taken from Ledger Nov. 30, 1886.)

		LOSSES.	GAINS.
Mdse.....	<i>Cr.—Proceeds.</i>	\$1,530 00	
"	<i>Dr.—Cost.</i>	1,433 50	
	<i>Difference.</i>		96 50
Expense.....	<i>Dr.—Outlay.</i>	\$53 00	
"	<i>Cr.—Proceeds.</i>	20 00	
	<i>Difference.</i>	33	
	<i>Net Gain.</i>	63 50	
		96 50	96 50

Set IV.—Statement of Resources and Liabilities.
 (Taken from Ledger Nov. 30, 1886.)

		RESOURCES.	LIABILITIES.
Cash.....	Dr.—Amount rec'd.....		
"	Cr. " paid out		
	Balance on hand.....	1,489	80
Mt's Bank.....	Dr.—Amount deposited.....		
"	Cr. " withdrawn		
	Balance on deposit	726	
Bills Rec.....	Dr.—Others' notes rec'd.....		
"	Cr. " " parted with..		
	Balance on hand	238	50
Bills Pay.....	Cr.—Our notes issued.....		
"	“ “ “ redeemed		
	Notes outstanding.....		397
J. Ross.....	Dr.—Our a/c against him..		
"	Cr.—His a/c against us.....		
	Balance in our favor.....	10	
L. Mason.....	Dr.—Our a/c against him.....		
"	Cr.—His a/c against us.....		
	Balance in our favor.....	30	
R. Henderson.....	Cr.—His a/c against us.....		50
	Net Worth.....		2,047 30
		2,494	30
Proof.....	Net Investment.....	\$1,983 80	
	“ Gain, as per Statement....	63 50	
	“ Worth	2,047 30	

SET V.—DRY GOODS BUSINESS.

Books used—Day Book, Journal, Cash Book, Bill Book and Ledger.

KINCARDINE, July 1, 1886. Commenced business investing as follows:—
 Goods on hand, \$1,200. Cash in safe, \$30. Money deposited in the Molsons Bank, \$400.
 2. Bought of Smith & Sons goods invoiced at \$360. Gave in payment a check on the Molsons Bank for \$300 and my note at 90 days for balance \$—. Paid cash for Postage 50c., and for Telegram 25c.

3. Sold R. W. Wismer, on account, 20 yds. Black Satin at \$2; 40 yds Brussels Carpet at \$1.50; 2 prs. Kid Gloves at \$1.50; 3 yds. Ribbon at 35c.
5. Paid cash for Fuel, \$15.50. Lent Jas. Smith cash \$6.50.
7. Sold A. C. Moore 30 yds. Blk. Cashmere at 90c.; 10 yds. Velvet at \$1.60; 20 yds. Carpet at 70c. Received in payment his check for \$47 and an order on A. McKay for balance.
9. Paid cash for Postage, \$1.30. Paid S. Reid's written order in goods, \$17.50. Received from R. W. Wismer, on account, his check on the Molsons Bank for \$40.
10. Received from Jas. Smith his note at 30 days in full of account \$6.50.
12. Paid cash for repairing store, \$3.60.
14. Sold A. Cameron, on his note at 10 days, 20 yds. Gingham, $12\frac{1}{2}$ c.; 10 yds. Flannel at 30c.; 40 yds. Cotton at 11c.; Thread, 12c.; Buttons, 10c. Received from S. Reid cash in full of account \$—.
15. Sold A. McKay 120 yds. Sheeting at 12c.; 15 yds. Tweed at \$1.50; 3 yds. Farmer's Satin at 60c.; $12\frac{1}{2}$ yds. Cassimere at \$1.10. Received in payment his check for \$20, the balance to remain on account, \$—.
16. Received from R. W. Wismer, on account, cash \$30. Paid for Coal Oil cash \$1.20.
20. Received from A. McKay, on account, his check for \$15.
23. Sold Jas. Smith, on account, 15 yds. Tweed at 90c.; 13 yds. Broad-cloth at \$2.60.
26. Deposited in the Molsons Bank cash \$60.
27. Lent R. Rainer a \$5 bill.
29. Received from R. W. Wismer his note at 30 days for balance of account, \$—.
31. Paid Clerk's salary with my check on the Molsons Bank, \$30.

Inventories, July 31st.—Mdse., Goods on hand, \$1,338.81; Expense, Fuel on hand, \$5.50.

(a) Make the proper Day Book, Cash Book and Bill Book entries as they occur, writing all the business papers required.

(b) Transfer to the Journal and thence to the Ledger, indexing each entry.

(c) Test the equilibrium of the Ledger and then make the proper statements.

(d) Close the accounts in the Ledger.

Result.—Cash on hand, \$105.65. Cash in Bank, \$130. Net Gain, \$20.38. Present Net Capital, \$1,650.38.

SET VI.—JOURNAL DAY BOOK.

Set VI. is intended to illustrate a somewhat practical method of keeping accounts. The pupil who has written carefully the previous sets and

mastered them will find but little difficulty in combining the Day Book and Journal. The *Journal entry* is given first in order in plain writing of medium size. This is followed by a *full description* of the transaction in as concise a form as possible. The pupil will observe that the explanatory words should be arranged in such a manner as to be readily distinguished from the other part of the entry. To effect this, they are written in a smaller hand and placed at some distance to the right of the column for the Ledger Folio. (See the Form given on page 65.)

The advantages of this method over that exemplified by Set I. are as follows:—

- (1) Time and labor are saved.
- (2) The expenditure for books is diminished.

That shewn on page 65 will be found sufficient for illustration.

INVOICE BOOK.

The details of purchases should be entered into the **Invoice Book**. There are different methods of dealing with invoices. Some accountants enter an abstract of each in this book, and file the original invoices in such a manner as to be convenient for reference, (See instructions for filing business papers, page 192.) Another plan is to paste each invoice when it is received into the Invoice Book, indexing it.* When several are received from one person or firm, it is well to put as many as possible of them on the same page in order, the first being at the top, the next immediately below it, &c. The book should be made of strong, light paper, and each leaf of it should be wide enough to leave room for a money column to the right of the invoices into which to enter the amounts.

THE INVENTORY BOOK.

The **Inventory Book** is used for recording all values of property on hand, of interest accrued, of rent paid beforehand or unpaid, of articles on hand which were charged to the Expense Account, &c.; in short, all values representing resources or liabilities in connection with loss and gain accounts.

It is necessary in business to take at stated times, an account of all such values, &c., in order to adjust the gains and losses properly.

The inventory of goods on hand is found by counting, weighing or measuring the articles in the store, and attaching to them the amounts for which they could be bought at the time. In actual practice, however, it is customary to take down the cost of any particular line and to add or subtract an estimated amount when necessary.

* If it is likely that a large business will be done with a house, several consecutive pages should be left blank for the invoices from it. This is especially important when the purchases of merchandise are posted from this book.

SET VI.—GRAIN BUSINESS.

Books used—Journal Day Book, Cash Book, Bill Book and Ledger.

FIRST MONTH'S TRANSACTIONS.

CLINTON, Oct. 1, 1886. Commenced business investing as follows: Cash in safe, \$2,000. Goods in store, valued at \$600. John Smith owes me on account \$40.

2. Sold L. Mason, on his note at 20 days, 34 bush. Wheat at 75c. Paid cash for Fuel, \$10. Bought of C. Kerr, on account, goods invoiced at \$600. [As the invoices are kept in a book for the purpose or properly filed, and may therefore be referred to, it is not necessary to give the items of purchase in the Day Book.]
4. Sold John Jamieson, on account, 140 bush. Barley at 50c.
5. Paid cash for Stationery, \$1.50.
6. Gave C. Kerr my note at 30 days in full of account.
7. Sold H. Smith, on his note at 30 days, 100 bush. Wheat at 70c.; 260 bush. Barley at 50c.
9. Paid cash for Coal Oil for use of Store, and for Lamps, \$12.50.
11. Received from John Jamieson on account, cash, \$30; his note at one month for the balance, \$—.
12. Withdrew from the business cash \$100.
13. Sold to H. W. Peterie, for cash, 100 bush. Wheat at 75c.
14. Paid Clerk's salary with cash, \$20.
16. Bought of H. Martin 80 bush. Barley at 50c. Gave in payment John Jamieson's note for \$—.
18. Received from John Smith, on account, an order on A. Baker for \$10.
20. Sold M. Mullen, on his note at 3 months, 80 bush. Barley at 55c.
23. Prepaid my note in favor of C. Kerr. Face of note \$600. Discount off, \$1.50. Proceeds paid with cash, \$598.50.
[Debit Bills Payable; credit Int. & Dis. and Cash. Why?]
25. Received cash in payment of L. Mason's note \$—.
27. Received from John Smith, on account, cash \$20.
30. Paid Clerk's salary with cash \$20.

Inventories, Oct. 30, 1886.

Mdse.—Goods on hand.....	\$891 50
Expense.—Coal Oil.....	6 50

Result.—Net Gain, \$10; Present Worth, \$2,550.

SET VI.—JOURNAL DAY BOOK.

Clinton, Oct. 1, 1886.

Dr. Cr.

L.F.	(Pupil's name here) has this day commenced the Grain Business with the following Resources :—			
Sundries	Dr To (Pupil's name here) Effects invested.			2,640
Cash	..... As per C. B.	2,000		
Mdse	..... As per Inventory.	600		
John Smith	..... Owes me on account.	40		
B. Receivable	Dr To Mdse Sold L. Mason on his note, as per B. B., 30 bush. Wheat at 75c.	25 50	25	50
Expense	Dr To Cash Paid for Fuel for Store.	10		10
Mdse	Dr To C. Kerr Bought on a/c goods, as per Invoice No. 1.	600	600	
John Jamieson	Dr To Mdse Sold him on a/c., 140 bush. Barley at 50c.	70	70	
Expense	Dr To Cash Paid for Stationery.	1 50	1	50
C. Kerr	Dr To B. Payable Gave on a/c. my note as per B. B.	600	600	
B. Receivable	Dr To Mdse Sold H. Smith on his note as per B. B. 100 bush. Wheat at 70c. \$ 70 260 " Barley at 50c. 130	200	200	
	Amounts forward.	4,147		4,147

SET VI.—SECOND MONTH'S TRANSACTIONS.

CLINTON, Nov. 2, 1886. Sold J. Turnbull 20 bush. Wheat at 72c.; 45 bush. Barley at 51c.; 120 bush. Oats at 26c. Received in payment his check on the bank of Montreal for \$30, and cash for balance, \$—

3. Bought of A. Megraw goods invoiced at \$540.20. Gave in payment an order on J. Smith for \$10; M. Mullen's note, dated Oct. 20, for \$44; my own note at 10 days for \$200, and cash for balance, \$—. Paid for Fuel, cash \$5. Deposited in the Molsons Bank \$1,000.
4. Received from A. Baker, on account, cash \$10. Paid cash for Postage, \$1.10; Telegram, 25c.
5. Sold Robert Keith, on his note at 3 months, 25 bbls. Flour at \$5.20; 40 bush. Wheat at 75c.
6. Lent P. McCallum a \$5 bill. Discounted Robert Keith's note, dated Nov. 5, 1886, at the Molsons Bank. Face of note \$160; Discount \$6. Proceeds deposited, \$154.
9. Received cash for H. Smith's note for \$200, which I immediately deposited in the Molsons Bank.
11. Bought of C. Kerr 300 bush. Wheat at 70c.; 500 bush. Barley at 50c. Gave in payment my check. Sold A. Baker 200 bush. Barley at 55c.; 100 bush. Wheat at 72c.; 120 bush. Oats at 23c.. Received in payment his note for \$200, and his check for balance.
12. Prepaid my note due 16th inst. Face of note \$200. Discount off 50c. Proceeds paid with check.
13. Paid Clerk's salary with cash \$20; P. McCallum returned the money which he borrowed, \$5.
16. Paid cash for Office Furniture \$10. Sold P. McCallum, on account, 100 bush. Wheat at 73c.
17. Bought of H. Sorby, on my note at 4 mos., 250 bush. Oats at 25c. Sold A. Baker, on account, 12 bush. Wheat at 72c.
19. Received from P. McCallum, on account, cash \$30. Sold A. Baker 20 bush. Barley at 54c. Received from him H. Holman's note, dated Nov. 1, 1886, and drawn at 30 days, for \$25. Settled with A. Baker by giving him my check for balance due him, \$—.
20. Sold J. Turnbull 25 bush. Peas at 60c.; 40 bush. Wheat at 73c. Received in payment an order on J. Craig, which by his request is passed to his account.
23. Received from P. McCallum his check in full of account \$—
25. Paid A. Mallory for repairing Store, cash \$5.
27. Sold D. Gibbings, on account, 25 bush. Barley at 53c.
30. Withdrew from bank \$100.

Paid rent for the three months ending Dec. 31st, with check, \$75.

Inventories, Nov. 30th, 1886.

Mdse.—Goods on hand.....	\$1,435 01
Expense—Office Furniture	9 50
Rent paid beforehand.....	25 00

Result.—Net Loss, \$25; Net Capital, \$2,525.

If the pupil has done the preceding Set correctly his Loss and Gain account and his Balance account should correspond respectively to the following:—

<i>Dr.</i>	(Losses.)	<i>Loss and Gain.</i>	(Gains.)	<i>Cr.</i>
1886		1886		
Nov. 30	To <i>Expense</i> “ <i>Int. & Dis</i>	88 35 5 50 — 93 85	Nov. 30 By <i>Mdse</i> “ <i>Stock</i>	68 85 25 — 93 85

<i>Dr.</i>	(Resources.)	<i>Balance.</i>	(Liabilities.)	<i>Cr.</i>
1886		1886		
Nov. 30	To <i>Mdse. (Inv.)</i> ... “ <i>Expense (Inv.)</i> . “ <i>Cash</i> “ <i>Bank</i> “ <i>Bills Rec'able</i> .. “ <i>A. Craig</i> “ <i>D. Gibbings</i> ...	1435 01 34 50 321 60 513 94 225 44 20 13 25 — 2587 50	Nov. 30 By <i>Bills Payable</i> .. “ <i>Stock</i>	62 50 2525 — 2587 50

CHAPTER V.

DRAFTS.

A **Draft** is an unconditional written order addressed by one person to a second requesting the payment of a specified sum of money to a third.

The person who makes the draft is termed the *Drawer*, the person on whom it is drawn is termed the *Drawee*, and the person in whose favor it is drawn is termed the *Payee*.

When a draft is made payable to the Drawer he is also the Payee.

Drafts are drawn payable “on demand,” “at sight,” a specified time “after sight,” or a specified time “after date.”

Acceptance in its ordinary signification is an engagement on the part of the drawee to pay the draft, when it falls due, in money.

Until a draft is accepted the drawee is not liable to the holder.

The drawee accepts the draft by writing across the face of it the word "accepted," followed by his signature. The drawee then becomes the *acceptor*, and the draft becomes his *acceptance*.

In the case of drafts drawn at sight, or at a specified time after sight, the acceptor must give the date of acceptance. The acceptor may fix the place of payment, but if he neglect to do this, the payee may do it.

A bill should be presented for acceptance without delay. If it is honored the *acceptor* becomes liable; if not, the *prior parties* immediately become responsible for payment of it.

There are three kinds of acceptances : general, special and qualified.

When the drawee writes the word "accepted," the date, and his name across the face of a draft, the acceptance is termed a *general* acceptance.

When words are used which restrict to a certain place the payment of the draft, the acceptance is said to be *special*. Qualified acceptances are of two kinds, *partial* and *conditional*.

When the drawee binds himself to pay only a portion of the amount of a draft or varies the time of payment, the acceptance is said to be *partial*.

When payment of the bill by the acceptor is dependent on the fulfilment of a specified condition the acceptance is said to be *conditional*.

No particular form of acceptance is necessary. Red ink is generally used.

If, upon proper presentment, the drawee refuses to honor the draft, it then becomes the duty of the prior parties to it to *notify* the drawer at once of such refusal. A bill must be treated as dishonored by non-acceptance if it is not accepted on the day of presentment, or within two days thereafter.

The drawer, when notified of the non-acceptance of the bill, should pay the holder the amount of its face, and such damages as are allowed by law.

When a bill is protested, notice of the same should be sent immediately to all the parties to it.

When a bill is payable at sight or at a fixed period after sight, the time begins to run from the date of the acceptance, if the bill is accepted, and from the date of protest or noting, if the bill is protested or noted for non-acceptance or non-delivery. Days of grace are allowed on all bills but those payable on demand.

When a draft is accepted it becomes in effect the same as a promissory note, the acceptor bearing the same relation to a draft that the maker bears to a note.

If a draft is drawn payable to *order*, the payee must indorse it before it can be transferred, just as in the case of a note.

The provisions of the Act relating to Promissory Notes, as stated in Chap. III., are, with necessary modifications, applicable to drafts or bills.

(Sight Draft.)

CLINTON, Jan. 1, 1887.

\$100.

At sight, pay to J. W. Chisholm, or order, One Hundred Dollars, value received, and charge to account of

MOSES L. BRICKER.

To L. P. SMITH,
Toronto.

(Time after Sight.)

CLINTON, Jan. 1, 1887.

\$100.

At twenty days' sight pay to the order of J. W. Chisholm One Hundred Dollars, value received, and charge to the account of

MOSES L. BRICKER.

To L. P. SMITH,
Toronto.

Form of acceptance of the foregoing Draft :

"Accepted, Jan. 5, 1887.
"L. P. Smith."

(Demand Draft.)

CLINTON, Jan. 12, 1886.

\$100.

On demand, pay to the order of J. W. Chisholm One Hundred Dollars, value received, and charge to account of

MOSES L. BRICKER.

To L. P. SMITH,
Toronto.

(Time Draft.)

CLINTON, August 16, 1886.

\$230.

Sixty days after date, pay to A. H. Smellie, or Order, Two Hundred and Thirty Dollars, value received, and charge to account of

MOSES L. BRICKER.

To L. P. SMITH,
Toronto.

Form of acceptance of Time Draft :

"Accepted,
"L. P. Smith."

Bank Drafts are extensively employed for making remittances.

The amount charged by the bank for issuing a draft is but a small fraction of its face value and no risk is incurred in its transmission.

RULES FOR JOURNALIZING DRAFTS.

When a person draws on us without giving us equal value *at the time* we make him Dr.

When we draw on a person and do not give him equal value *at the time* we make him Cr.

DRAFT PAYABLE AT SIGHT OR ON DEMAND.*

Drawer's entry	$\left\{ \begin{array}{l} Payee \\ Drawer \end{array} \right.$	Dr.	To Drawee.
Drawee's entry	$\left\{ \begin{array}{l} Drawer \\ Cash \end{array} \right.$	Dr.	To Cash.†
Payee's entry	$\left\{ \begin{array}{l} Cash \\ Bills Receivable \end{array} \right.$	Dr.	To Drawer.

DRAFT PAYABLE AT A CERTAIN TIME AFTER SIGHT.

Drawer's entry	$\left\{ \begin{array}{l} Payee \\ Drawer \end{array} \right.$	Dr.	To Drawee.
Drawee's entry	$\left\{ \begin{array}{l} Drawer \\ Bills Receivable \end{array} \right.$	Dr.	To Bills Payable.
Payee's entry	$\left\{ \begin{array}{l} Bills Receivable \\ Dr. \end{array} \right.$		To Drawer.

RENEWING AND DISCOUNTING BILLS.

It occasionally occurs even in a well managed business, that a note is about to fall due for the payment of which the dealer is not at the time prepared. The proper course for him to take in such a case is to ask for a renewal for a long enough period to enable him to secure the necessary means of payment. Of course, the dealer having asked for an extension of time must pay interest, and any other charges that may be incurred. The usual practice is to draw the new note (*i.e.*, if the favor is granted) for such an amount as will cover the face value of the note retired, and the interest on the same for the time that the new note has to run, together with all other charges that may be connected with the renewal. Sometimes only a partial renewal may be desired.

Again, a dealer may have a note outstanding which he wishes to pay before it is due. In this case, discount will be allowed, and the dealer will pay a sum which is less than he would have paid if he had waited till the maturity of the note. Or, he may hold a note against another party, and he may wish to get money for it before it is due. In the latter case he will be obliged to take a smaller amount for it than if he had waited till its maturity.

If a note bearing interest is negotiated, the value of the note when due is found, and the sum thus found is discounted to give the proceeds. Bank discount is always used in business. Days of grace are added, except in the case of paper payable on demand.

The phrase "*discounting a note*" is used with different meanings. (1.) The selling of any note in my possession before it matures for a sum less than what it calls for when due. (2.) The paying of any note which another holds, before it falls due, with a sum less than it calls for at maturity. In either case the amount thrown off is termed the *discount*.

* When the Drawer makes a sight or demand draft payable to himself, his entry will be, Cash, Dr., to Drawee. When he draws a time draft in like manner, his entry will be, Bills Receivable, Dr., to Drawee.

† If the Drawee pays the draft by issuing a check, he will credit the Bank instead of Cash.

The pupil is expected to study the following until the application of rules already given is seen, and thoroughly understood:

EXAMPLES.

TRANSACTIONS.

JOURNAL.

1. Discounted at bank H. C. Mann's note. Face, \$100. Discount allowed, \$5. Proceeds received in cash, \$95.	<i>Cash</i>	<i>Dr.</i>	95	
	<i>Int. & Dis.</i>	"	5	
2. Discounted at bank M. Taylor's note, due 73 days hence, at 6%. Face of note, \$250. Proceeds deposited.	<i>Bank</i>	<i>Dr.</i>	247	
	<i>Int. & Dis.</i>	"	3	
3. Drew a draft on C. Cameron at 10 days sight and discounted it at the bank at 8%. Face, \$365. Discount allowed. \$—. Proceeds remitted to A. Murray on acct.	<i>To Bills Receivable ..</i>			100
	<i>A. Murray</i>	<i>Dr.</i>	363	
4. Prepaid with cash my note favor of Amos Drummond. Face, \$40. Discount off, \$2.	<i>Int. & Dis.</i>	"	1 04	250
	<i>To G. Cameron.</i>			
5. Retired Jas. Stark's note for renewal for 2 months. Face of note, \$150. Interest on same for 2 months at 6%. \$1.50. Face of new note, \$151.50.	<i>Bills Payable</i>	<i>Dr.</i>	40	
	<i>To Cash.</i>			
6. Renewed my note favor of Morley & Wismer. Face, \$60. Gave a new note at 3 months to cover the old note and interest thereon at 8%.	<i>" Int. & Dis.</i>			38 2
	<i>Bills Receivable</i>	<i>Dr.</i>	151	
7. H. J. Manning has renewed his note. Face, \$350. Received in part payment an order on G. McKay for \$150 and a new note for \$202.	<i>To Bills Receivable ..</i>		50	150 1 50
	<i>" Int. & Dis.</i>			
8. G. Johnson has failed, paying 80c. in the dollar. He pays his note which I hold. Face, \$700. Proceeds received in cash.	<i>Bills Payable</i>	<i>Dr.</i>	60	
	<i>Int. & Dis.</i>	"	1 20	
	<i>To Bills Payable ..</i>			61 28
	<i>G. McKay</i>	<i>Dr.</i>	150	
	<i>Bills Receivable</i>	"	202	
	<i>To Bills Receivable ..</i>			
	<i>" Int. & Dis.</i>			350 2
	<i>Cash</i>	<i>Dr.</i>	560	
	<i>Loss & Gain</i>	"	140	700
	<i>To Bills Receivable ..</i>			

EXAMPLES.—(Continued.)

TRANSACTIONS.

JOURNAL.

9. As the indorser of H. Stewart's note for \$100, I pay it and protest charges, \$1.03, with my check on the Merchants' Bank.	<i>H. Stewart</i> <i>To Merchants' Bank.</i>	Dr.....	101	03	101	03
10. Bought goods for \$105 at a sale. Gave my note at 10 days in payment. Before moving the goods I sell them for \$120, getting in payment my own note and a sight draft on A. Kean for \$15.	<i>Cash</i>	<i>Dr.....</i> <i>To Loss & Gain.</i>	15		15	

EXERCISE I.

1. James Furrier, of Windsor, draws on H. A. Smith, of Montreal, for \$60 at 30 days.
2. H. A. Smith accepts Furrier's draft.
3. L. Mason gives Peter McLaren, in payment for goods bought one month ago, his note (negotiated by indorsement) at 3 months, for \$500.
4. Mason prepays his note, being allowed a discount of \$20.
5. Miller & Co., St. Catharines, send W. Smith, of Paisley, an invoice of goods amounting to \$150, and draw on him at 10 days' sight.
 - (a) Give Furrier's Journal entry, and write the draft.
 - (b) Give H. A. Smith's Journal entry on accepting. Accept the draft for Smith.
 - (c) Write Peter McLaren's Journal entry on receiving the note. Make the note and indorse it in blank.
 - (d) Give Mason's entry on prepaying it.
 - (e) Write the draft for No. 5. Accept it on the 22nd day of September, 1886, making it payable at St. Catharines.
 - (f) What is meant by *negotiable paper*? Name the different kinds.

EXERCISE II.

1. Accepted S. W. Perry's draft for \$123.75 at 10 days' sight, in favor of J. F. Morrow, payable at the Molsons Bank.
2. Paid W. Martin in full of account, by giving him S. Furrier's note at 6 months, indorsed by H. Houston, for \$750. Date of note, March 30, 1886.
3. Paid S. W. Perry's draft on me with cash.
4. N. C. McPherson & Co. failed, and made an assignment, their creditors receiving 60 cents in the dollar. My claim was \$250. Received in settlement W. H. Muir's acceptance, \$150.

(a) Write the draft for No. 1, and accept it. Give the Journal entries of all the parties concerned.

(b) Write the note for No. 2. On what day will it fall due?

(c) What are the Journal entries for Nos. 3 and 4?

(d) Define acceptance, promissory note, draft and order.

(e) Illustrate by examples the different kinds of indorsement, and state the effect of each.

(f) When is a bill or note negotiated without indorsement?

EXERCISE III.

1. Gave Jas. Smith, on account, my draft at 10 days on L. Mason for \$40.
2. Paid Wm. Jones' sight draft on me for \$80.
3. Jas. Smith returned my draft on L. Mason on its being dishonored. I immediately remit cash \$40 (1.).
4. R. Mills drew on me for \$100 at 30 days. I prepaid the draft with cash. Discount off \$2.
5. Drew on John Ross at sight for \$100 in favor of Wm. McKay, who had to his credit \$75 in my books. Received McKay's note for amount overpaid.
6. Accepted H. Corbett's draft on me at 20 days' sight, favor of James McGillivray, for \$120.
7. Prepaid my acceptance in favor of James McGillivray. Discount off \$3. Gave my check for balance, \$117.
9. Drew a draft on R. T. Todd in my own favor for \$30. Had it immediately discounted at the bank. Discount off \$1. Proceeds deposited.
8. Had Wm. Gray's acceptance for \$60 discounted at the bank. Discount allowed \$4. Proceeds deposited.
10. Gave H. Leonard my draft for \$25, on Jas. Brown, in payment for goods, which I immediately sold for \$30 in cash.

(a) Give my Journal entries.

(b) Write the draft required for No. 5.

(c) Discuss the methods of treating No. 10.

(d) Make a list of the Ledger accounts affected by the foregoing, arranging them into two classes.

BILLS OF EXCHANGE.

A **Bill of Exchange** is a written order from one person (the Drawer) to another (the Drawee) directing him to pay to a third person (the Payee), or to his order, or to bearer, a specified sum of money.

Bills of Exchange are of two kinds, **Domestic** or **Inland**, and **Foreign**.

An *Inland Bill of Exchange* is one payable in the same country in which it is made, and is usually called a *draft*.

A *Foreign Bill of Exchange* is one payable in a different country from that in which it is made.

The **Par of Exchange** between two countries is the nominal value of the coinage of one country, when expressed in terms of the coinage of the other.

The **Course of Exchange** is variable and depends chiefly on the balance of trade. It simply means the market value in one country of bills on another.

A *Bill of Exchange* is used for the payment of a debt *due in another country* without the transmission of specie, thus avoiding risk, loss of interest and transportation charges.

Foreign bills are commonly drawn in sets, three making a set or one bill. These are forwarded at different times, or by different means of transportation, so that one of them, at least, may reach its destination as soon as possible. Whenever any one of them is paid the others are void.

Form of a Set of Exchange.

TORONTO, Sept. 30, 1886.

Exchange for £200.

Thirty days after sight of this first of Exchange (second and third of same date and tenor unpaid) pay to Muir & Co., or order, Two Hundred Pounds, sterling, value received, and charge to the account of

JOHN JAMIESON.

To MESSRS. BARING & CO.-

London.

TORONTO, Sept. 30, 1886

Exchange for £200.

Thirty days after sight of this second of Exchange (first and third of same date and tenor unpaid) pay to Muir & Co., or order, Two Hundred Pounds, sterling, value received, and charge to the account of

JOHN JAMIESON

To MESSRS. BARING & CO.,

London.

TORONTO, Sept. 30, 1886

Exchange for £200.

Thirty days after sight of this third of Exchange (first and second of same date and tenor unpaid) pay to Muir & Co., or order, Two Hundred Pounds, sterling, value received, and charge to the account of

JOHN JAMIESON.

To MESSRS. BARING & CO.,

London.

EXERCISE IV.

I Accepted H. McKay's draft at 30 days' sight, favor of Jas. Clark, payable at the Molsons Bank, for \$150.

2. Drew on A. D. McCaul, at 30 days' sight, for \$120. Had the draft discounted at the bank. Discount off \$1.50. With proceeds I bought a draft on the Molsons Bank, Toronto (Exchange $\frac{1}{2}\%$), which I remitted to H. Calder on account.
3. Discounted at the Merchants' Bank E. McKibbon's note, due 2 months hence. Face of note \$40. Discount allowed \$1. Proceeds received in cash.
4. Sold James Jones goods from store valued at \$750. Received in payment his note at 6 months, which I discounted at the Merchants' Bank at 6%. Discount allowed \$. Proceeds remitted to W. Muir in part payment of my note due this day for \$1,000.
5. Remitted to W. Muir cash for balance of note (No. 4), and interest due on the same. Interest \$1.30.
6. Bought for cash from Matthew Baker his bill on Baring & Co., London, at 30 days' sight for £570, sterling, exchange being at a premium of $9\frac{1}{2}\%$. [A bill for £1 costs $\$4.0 \times \frac{109\frac{1}{2}}{100}$].
7. H. C. Manley has failed, and his note which I hold is valueless. Face of note \$25.
8. Paid with check my note drawn in favor of W. Wentworth, which was under protest. Face of note \$150. Protest charges \$1.03 ; 6 days' interest \$0.25.

(a) Give my Journal entries.
 (b) Write the draft for No. 1 properly accepted.
 (c) What is meant by protesting a note? Is it necessary to have a note protested?
 (d) Define Bill of Exchange

EXERCISE V.

1. Renewed our note, favor of Jas. Brown, due to-day, for \$150. Gave a new note at one month for \$151.
 NOTE.—The \$1 which is added is one month's interest on the old note at 8%.
2. Renewed our note, favor D. Cameron, due this day, for \$750. Gave our note at 3 months for \$408 and cash \$350 for balance.
3. Retired M. L. McKinnon's note due this day for \$200; received in payment his note at 10 days for \$100.50, and his check for \$100.
4. Retired John Smith's note due this day for \$250. Received in payment his note at 3 months for \$153, and his sight draft on Jas. Brown for \$100.
5. Renewed R. Robb's note due to-day for one month. Face, \$100. Interest received in cash, \$1.
6. Sold H. C. Massey 124 bush. Oats at 35c. Received in payment his note at 60 days, bearing interest at 6%. Face of note \$43.40.
7. Discounted H. C. Massey's note at the Bank 30 days before due at 8% (No. 6).

8. Prepaid with cash my note in favor of Jas. Jones 73 days before due.
Face of note \$60. Discount at 6%.
9. Prepaid with check my note for \$75.20 in favor of N. Storey 10 days before due. Discount at 5%.
10. Sold S. W. Hartt 30 bush. wheat at \$1. Received in payment Robert Curry's acceptance due one year hence for the amount. It bears interest at 6%.
 - (a) Journalize the foregoing.
 - (b) Explain fully what is meant by renewing a note.
 - (c) What are the different senses in which the word "discounting" is used?
 - (d) Write the note for No. 6 and the draft properly accepted for No. 10.

SET VII.—DRY GOODS BUSINESS.

Books used—Journal, Cash Book, Bill Book, and Ledger.

TRANSACTIONS.

— December 1, 1886.

Commenced business, investing as follows:

Resources—Cash on hand, \$500. Goods on hand valued at \$800. W. Stephen's note, dated Nov. 1, 1886, at 70 days, bearing interest at 8%; face of note, \$400; interest accrued, \$—. W. Milne's acceptance, dated Sept. 8, 1886, at 4 months; face of acceptance, \$120. H. Foster owes me on account, \$65.50. Jas. Scott owes me on account, \$27.30.

Liabilities—H. George holds a non-negotiable note against me, dated Aug. 24, 1886, drawn at 4 months, for \$60. I owe John Patterson on account, \$36.90.

Paid for Postage and Stationery \$1.20.

2. Sold R. Purvis 3 pcs. Linen, 50 yds. each, at 75c.; 16 yds. Scotch Tweed, \$1.50. Received in payment an order on John Patterson which is passed to his account at his request. Deposited in Bank of Montreal, cash, \$400. Paid for Office Furniture cash, \$15. Cash sales, \$19.60.
3. Bought of H. H. Bunting, on my acceptance at 10 days, an invoice of goods amounting to \$200. Paid for Insurance cash, \$10. Paid for Advertising cash, \$5. Cash sales, \$20.25.
4. Sold M. McPherson for his acceptance at 20 days, 150 yds. Broadcloth at \$2.40, \$—. Paid for Repairing Store with check, \$8.40. Cash sales \$31.50.
6. Bought of J. Young an invoice of goods amounting to \$400. Gave in payment cash, \$50; an order on H. Foster for \$65.50, and my note at 3 months for balance, \$—. Cash sales, \$18.40.
7. Sold J. McHardy for his note at 15 days, 2 prs. Pants, at \$7; one Overcoat, \$15; 50 yds. Flannel, at 40c. Cash sales, \$18.60.

8. Prepaid with check my note favor of H. George as per B. B.; discount allowed, 50c. Jas. Scott has failed, paying 40c. in the dollar; my share received in cash, \$—. Cash sales, \$21.30.
9. Discounted W. Stephen's note as per B. B. at 6%; proceeds deposited, \$—. Paid for Fuel, cash, \$20, and for Telegram, 50c. Cash sales, \$20.
10. Lost a \$2 bill. Received from John Patterson his note at 2 mos. in full of acct., \$—. Cash sales, \$16.50.
11. Sold A. J. McKay on one month's credit, 25 yds. Scotch Tweed, at \$1. Paid for Stove for store with check, \$25. Paid for Postage and Stationery with cash, \$2.50. Cash sales, \$28.70.
12. Sold H. P. Smith for his check on Molsons Bank, 3 doz. Fancy Ties, at \$4 per doz.; 4 doz. Linen Collars, at \$2.50 per doz., \$—. Cash sales, \$17.90.
13. Presented H. P. Smith's check for payment, but it was dishonored and returned to him. Discounted John Patterson's note, as per B. B., at the bank; discount allowed 8%; proceeds deposited, \$—. Cash sales, \$23.80.
14. Received from A. J. McKay his check for \$15 on acct. Cash sales, \$14.75.
15. H. P. Smith sent me his note at 10 days, in full of acct. Renewed my acceptance due this day favor of H. H. Bunting; gave a new note at 2 mos. to cover face of acceptance and interest at 8% on the same. Cash sales, \$21.20.
16. Sold A. J. McKay, 10 ready-made Overcoats at \$12, \$—. Received in payment a sight draft on Wm. Muir for \$100 and cash for balance. Cash sales, \$24.30.
17. Bought of W. H. Sims, with my check, an invoice of goods amounting to \$500. Discount off, 5%. Cash sales, \$39.96.
18. Discounted M. McPherson's acceptance at the bank at 8%. Proceeds received in cash, \$—. Paid for Stationery, \$1.50. Cash sales, \$39.47.
19. Sold R. Holmes, on account, 13 yds. Brown Beaver at \$2. Paid H. Murch for repairs, \$6.40. Cash sales, \$13.60.
20. Deposited in bank cash \$300. Received from A. J. McKay his note at 2 months in full of account, \$—. Cash sales, \$24.45.
21. Bought of M. Wismer, on account, goods invoiced at \$130. Cash sales, \$22.60.
22. Paid for Fuel, cash \$5. Cash sales, \$40.10.
23. Discounted at 6% W. Milne's acceptance, as per B. B. Proceeds remitted to M. Wismer, together with cash to close his account. (Wismer allows 5% for prompt payment.) Cash sales, \$22.
24. Received cash in full of J. McHardy's note, as per B. B. Cash sales, \$35.50.
25. Sold at auction for cash goods to the amount of \$300. Paid the auctioneer with check, \$5.

30. Paid clerk's salary with check, \$30. Cash sales, \$40.
 31) H. P. Smith paid his note with his check. Cash sales, \$32.60.

Inventories, taken Dec. 31st.

Merchandise—Goods remaining unsold.....	\$550 00
Expense—Stove on hand	20 00
Furniture	14 00
	<hr/>
Total	\$584 00

Result—Net Gain, \$74.10.

Note.—The student is expected to write out all checks, drafts, notes, &c., as he would in actual business.

SET VII.—THE JOURNAL.

The form of Journal used in connection with this set will be found very practical. It has special columns, and by this means much time is saved in posting. All amounts representing the cost of goods purchased will be entered in the column to the left hand side headed "Mdse." The corresponding column to the right hand side will receive all amounts of sales. The sums in these columns will be posted in *total* at the end of the month. All the other amounts will be posted separately. When the items belonging to any account are very numerous a special column should be used for them. It is quite obvious that this method can be advantageously employed for almost any kind of business.

THE CASH BOOK.

The Cash Book is used as a principal book; that is, the amounts which appear in it are transferred directly to the Ledger. It has three columns on each side. The one headed "Mdse." on the Dr. side will receive all amounts of cash sales, and the "Sundries" column will receive all other amounts of cash which come into the business. The footing of the "Mdse." column will be posted to the credit side of the Mdse. account at the end of each week;* the amounts in the (Dr.) Sundries column will be posted daily to the Credit side of the accounts producing them. The footing of the "Mdse." column is carried to the "Sundries" column, and the total is posted to the debit side of the Cash account. The "Expense" column will receive all amounts paid out for current expenses, and its footing for the week will be charged to the Expense account in the Ledger. All other amounts paid out will appear in the (Cr.) Sundries column, and will be placed on the debit side of their respective accounts. The footing of the "Expense" column is carried to that having the heading "Sundries," and the total placed to the credit of the Cash account.

The Cash Book may be *tested* every day, though not balanced in a formal manner.

Although it is customary to keep a Cash account in the Ledger the pupil will see that such can shew nothing more than is shewn by the Cash Book. This Book might, therefore, be regarded as the Cash Account.

*This may be done semi-monthly, or monthly, if desired.

JOURNAL—SET VII.

— December 1, 1886.

SUNDRIES	MDSE.	L. F.		L. P.	MDSE.	SUNDRIES
			— has this day commenced the Dry Goods business, investing the following Resources and Liabilities:—			
			<i>Sundries</i> <i>To (Pupil's name here)</i>			1415 43
			<i>Effects Invested:</i>			
520	800		<i>Mdse.</i> <i>On hand.</i>			
			<i>Bills Rec.</i> <i>Note against W. Stephens as per B. B. W. Milne's acceptance as per B. B.</i>			
2 63			<i>Int. & Dis.</i> <i>Interest accrued on W. Stephen's note as per B. B..</i>			
65 50			<i>H. Foster</i> <i>He owes me on acct.</i>			
27 30			<i>Jas. Scott</i> <i>" " "</i>			
96 90						
			(<i>Pupil's name here</i>) <i>To Sundries.</i>			
			<i>Liabilities Assumed:</i>			
			<i>Bills Payable.</i>			60
			<i>Note favor H. George as per B. B.</i>			
			<i>John Patterson.</i>			36 90
			<i>I owe him on acct.</i>			
				2		
136 50			<i>John Patterson To Mdse.</i>			136 50
			<i>Sold R. Purvis for his order on John Patterson,—</i>			
			<i>3 pcs. Linen, 50 yds each @ \$.75</i>			
			<i>16 yds. Scotch Tweed.... @ 1.50</i>			
				3		
200			<i>Mdse. To Bills Payable.</i>			200
			<i>Bot. goods as per invoice of H. H. Bunting on my acceptance as per B. B.</i>			
				4		
360			<i>Bills Rec. To Mdse.</i>			360
			<i>Sold M. McPherson for his acceptance as per B. B.,—</i>			
			<i>150 yds. Broadcloth.... @ \$2.40</i>			
1208 183	1000		<i>..... Amounts forward</i>			496 50 1712

*Dr.**Cash.***CASH BOOK**

1886				MDSE.	SUNDRIES	TOTAL.
Dec.	1	(Pupil's name here).	<i>Investment.....</i>			
"	2	<i>Mdse.</i>	<i>Sales this day.....</i>	19 60	500	
"	3	"	" "	20 25		
"	4	"	" "	31 50		
			<i>Mdse. Or.—Sales for week.....</i>	71 35	71 35	
			<i>Cash Dr.—Receipts for week.....</i>		571 35	571 35
			<i>Balance.....</i>			571 35
						140 15

BILL BOOK
Bills

No.	When Rec'd.	Drawer or Indorser.	Drawee or Maker.	In Whose Favor.	For What Received.	Where Payable.	Date.	Time to Run.
1	Dec. 1		<i>W. Stephen</i>	<i>Myself</i>	<i>Investment</i>	<i>Molsons Bk.</i>	Nov. 1, '86	70 d.s.
2	" "		<i>W. Milne</i>	"	"	"	Sept. 8, '86	4 ms.

Bills

No.	When Given.	Drawer or Indorser.	Drawee or Maker.	In Whose Favor.	For What Given.	Where Payable.	Date.	Time to Run.
1	Aug. 24		<i>Myself</i>	<i>H. George</i>		<i>My Office</i>	Aug. 24, '86	4 ms.

* When there is a large number of Bills Receivable there should be a column for every day in the month instead of one for every month in the year into which to enter the date of maturity of each note or draft. All the notes, &c., falling due during any particular month should be entered on the same

—SET VII.

*Cash.**Cr.*

		L. R.		EXPENSE.	SUNDRIES	TOTAL.
1886						
Dec.	1		Expense	Stationery & Postage....	1 20	
"	2		Bk. of Commerce	Deposited.....	400	
"	"		Expense	Office Furniture.....	15	
"	3		"	Insurance & Advertising	15	
				Expense Dr.—Outlay for expenses,....	31 20	
				Cash Cr.—Disb. for week	431 20	431 20
				Balance.....		140 15
						571 35

—SET VII.*

Receivable.

Year	When Due.												Interest.	Amount.	Payments.		When and How Disposed of.
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.			Date.	Sum.	
1887	13																
1887	11												8%	400			

Payable.

Year	When Due.												Interest.	Amount.	Payments.		When and How Retired.
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.			Date.	Sum.	
1886														27			

page or on consecutive pages, the name of the month being placed at the top. In the column headed "No." the file should be indicated in small figures or letters above the figures expressing the number of the note.

SET VIII.—EXPLANATIONS.

The only new feature of this set is the introduction of the Sales Book. This book being used, the Sales column in the Journal will be dispensed with, as all the amounts which would be placed in it will be found in the Sales Book. The amounts representing the cost of goods purchased may be transferred directly from the Invoice Book to the Ledger, or a column for such amounts may be in the Journal. In either case the total for the month should be posted to the Dr. side of the Merchandise Account. The Cash Book will be the same as that of the preceding set.

SALES BOOK.

All sales of merchandise are recorded in this book. When goods are sold for which full payment in cash is made, it is not necessary to enter the items in this book, as the amount can be carried directly to the "Mdse." column on the Dr. side of the Cash Book. When part payment for goods sold is received in cash, although the items should be given in the Sales Book, the amount of cash received should not be extended into the money column, but transferred to the "Mdse." column of the Cash Book, only the part paid otherwise than in cash being carried to the money column.

At the end of the month the amount of the Mdse. column of the Cash Book is transferred to the outside column of this book, the footing of which will then shew the total sales. The total is posted to the Cr. side of the Merchandise Account in the Ledger. By examining the form given the student will see at once how to post the debits.

SET VIII.—BOOT AND SHOE BUSINESS.

Books used.—Journal, Cash Book, Sales Book, Bill Book, and Ledger.

January 3, 1887.

Commenced this day the Boot and Shoe Business, investing cash \$2,000. Bought of Smith & Co., Toronto, goods invoiced at \$1,200. Paid the same with cash. Paid freight, \$17.50; drayage, 50c.* Employed A. Bolger as clerk at \$30 per month. Paid cash for Fuel, \$10, and for a set of books for store, \$6.

January 4.

Deposited in the Bank of Commerce cash \$500.

Sold J. McEachern 3 prs. Men's Kip Boots at \$4.50; 2 prs. Men's Gaiters at \$3; 4 prs. Women's French Kid Button Boots at \$4.50; 3 prs. Women's Slippers at \$1.20; 4 prs. Boys' Plain Rubber Overshoes at 60c. Received in payment A. Taylor's acceptance at 6 mos., dated Sept. 1, 1886.

Cash sales, \$25.30.

* All amounts paid for freight and drayage on goods *purchased* should be entered on the Dr. side of Mdse. acct.

If the dealer wishes to know the amount he pays for freight, for instance, during a term of business he will open a Freight account and debit it with all sums paid for the transportation of goods purchased. This account must be closed into Mdse. account before the books are balanced.

January 5.

Sold William Leeds, on account, 2 prs. Men's French Calf Bals. at \$4.50 ;
1 pr. Women's Butt. Calf Boots at \$2.70.

Discounted at bank A. Taylor's acceptance at 6%, and deposited the proceeds.
Paid for Coal Oil \$1.40.

Cash sales, \$27.20.

January 6.

Bought of Warner & Sons, London, an invoice of goods amounting to
\$200. Gave in payment a draft on the Bank of Commerce for that
amount, purchased with cash. [Banks charge $\frac{1}{8}\%$ for issuing drafts,
therefore a draft for \$200 will cost \$200.25.] Paid freight, \$3.50.

Received from William Leeds, on account, cash \$5.

Cash sales, \$32.85.

January 7.

Sold W. H. Martin 3 prs. Men's Imitation Sandals at 65c.; 4 prs. Women's
Buff Ba s. at \$1.40; 5 prs. Women's Felt Slippers at \$1.20; 2 prs.
Boys' E a v y Boots at \$2.50; 3 prs. Boys' Tie Shoes at \$1.80.
Received in payment his sight draft on J. Sloan for \$10, and his note
at 10 days for balance.

Paid for Postage and Stationery \$2.30 with cash.

Bought of Warner & Sons, London, goods invoiced at \$146. Accepted
their draft at 30 days for that amount,

Cash sales, \$21.45.

January 8.

Sold K. McKendrick 3 prs. Children's Butt. Boots at \$1.10; 4 prs. Misses
Goat Lace Boots at \$1.25; 2 prs. Women's Polished Calf Boots at
\$2.50. Received in payment an order on R. Mills for \$10; the
balance to remain on account.

Received from Wm. Leeds his note at 10 days in full of account, \$—.

Sold Benjamin Hill, on account, 3 prs. Men's Stoga Boots at \$1.80.

Paid for Advertising, \$2.50; Telegram, 25c.

Cash sales, \$40.20.

January 10.

Borrowed from C. Cameron a \$5 bill.

Prepaid my acceptance favor Warner and Sons at 6% with my check.

Sold to Jas. Mooney 43 prs. Men's Calf Sewed Boots at \$5; 50 prs. Woman's
Polished Calf Boots at \$2. Received in payment his note at 10 days, \$—.

Cash sales, \$39.50.

Discounted at bank Wm. Leed's note my favor. Discount allowed, 25c.
Deposited the proceeds.

Paid C. Cameron the amount borrowed, \$5.

January 11.

Deposited in the Bank of Commerce cash \$200.

Cash sales, \$50.70.

January 12.

Bought of Elder & Co., Hamilton, goods invoiced at \$300. Accepted their draft at 30 days' sight for \$100. Paid freight, \$5, with check. R. Mills paid the order on him received on the 8th inst. with his check. Cash sales, \$29.60.

January 13.

Sold W. Manning 30 prs. Men's Calf Sewed Boots at \$5. Received in payment his note at 10 days.

Cash sales, \$10.70.

January 14.

Sold R. Mills, on account, 2 prs. Men's Stoga Boots at \$3; 1 pr. Men's French Calf Boots at \$4.50; 3 prs. Misses Prunella Bals. at \$1.

Paid S. James for cleaning store, cash \$1.50.

Cash sales, \$16.28.

January 15.

Paid clerk's half-month's salary with check, \$15.

Sold H. Hughes 25 prs. Women's Buff Bals. at \$1.50; 50 prs. Misses Butt. Bals. at \$1.20. Received in payment his sight draft on Francis Bawden, which is honored.

Cash sales, \$47.50

January 17.

Sold Henry Brown 2 prs. Men's Carpet Slippers at \$1.25; 4 prs. Boys' Kip Boots at \$3.50; 2 prs. Women's Pebbled Bals. at \$1.30. Received in payment A. Embree's acceptance due March 4, 1887.

Lost from my pocket a 50c. piece.

Received from R. Mills his note at 30 days in full of account, \$—.

Cash sales, \$28.80.

January 18.

Sold H. J. George, Dundas, 100 prs. Men's French Calf Sewed Boots at \$5. Received in payment a draft on the Bank of Commerce for the amount, which I deposited.

Remitted Elder & Co. on account a bank draft for \$100, which I purchased with cash.*

Paid cash for Coal Oil, \$4; for Writing Desk, \$20.

Cash sales, \$35.20.

January 19.

Bought of Hurdon & Graham, Guelph, goods invoiced at \$550. Discount off 5%. Remitted them my note at 70 days, bearing interest at 5%, for \$200, and my check for balance.

Cash sales, \$24.35

January 20.

Prepaid my acceptance favor of Elder & Co. with check. Discount at 5%.

Cash sales, \$37.60.

*As a rule, banks charge 25c. for issuing drafts not exceeding \$200.

January 21.

Received cash for W. H. Martin's note, \$—.

Jas. Mooney has renewed his note. Received in part payment cash \$100.
and a new note at 30 days for \$215, bearing interest at 5%.

Cash sales, \$36.40.

January 22.

Received from K. McKendrick cash in full of account. Deposited in
bank cash \$330.

Cash sales, \$48.75.

January 24.

Prepaid my note favor of Hurdon & Graham with check. Discount at 6%
[When a note bears interest its amount when due is discounted for
the unexpired time.]

Cash sales, \$25.20.

January 25.

Paid Elder & Co. cash on account, \$30.

Cash sales, \$19.40.

January 26.

Sold R. Mills, on account, 1 pr. Men's Stoga Boots at \$3.60; 3 prs-
Misses Polished Calf Bals. at \$1.75; 1 pr. Men's Plain Buckle Over.
shoes at \$1.75, \$—.

Paid cash for Office Furniture, \$14.50.

Cash sales, \$23.30.

January 27.

Discounted A. Embree's acceptance. Face of acceptance, \$—. Discount
allowed, \$0.35. Proceeds deposited, \$—.

Cash sales, \$15.40.

January 28.

Gave Elder & Co. my note at one month in full of account, \$—.

Cash sales, \$21.96.

January 29.

Sold H. Corbett, on account, 1 pr. Men's Calf Sewed Boots at \$4.60.

Cash sales, \$31.20.

January 31.

Paid clerk's half month's salary with check, \$15,

Sold by auction, goods for cash, \$400; paid auctioneer \$5.

Inventories.

Mdse.—Goods on hand	\$206	87
Expense.—Writing Desk and other office furniture.....	31	
Int. and Dis.—Interest accrued on Jas. Mooney's note		29

Result—Net Gain, \$41.01; Net Worth, \$2,041.01.

SALES BOOK—SET VIII.
—, January 4, 1887.

J. McEachern.

3 prs. Men's Kip Boots.....	@ \$4.50	13	50
2 " " Gaiters	" 3	6	
4 " Women's Fr. Kid Butt. Boots	" 4.50	18	
3 " " Slippers	" 1.20	3	60
4 " Boy's Plain Rub. O. S	" 60	2	40

Bills Rec. *A. Taylor's acceptance at 6 mos.....*5

43 50

William Leeds.

2 prs. Men's French Bals	@ \$4.50	9	
1 pr. Women's Butt. Calf.....	" 2.70	2	70

7

11 70

W. H. Martin.

3 prs. Men's Im. Sandals	@ \$.65	1	95
4 " Women's Buff Bals	" 1.40	5	60
5 " " Felt Slippers	" 1.20	6	
2 " Boy's Heavy Boots.....	" 2.50	5	
3 " " Tie Shoes	" 1.80	5	40

*✓ Cash.** *Sight draft on J. Sloan, \$10.....**Bills Rec.* *Martin's note at 10 ds.*8

13 95

K. McKendrick.

3 prs. Children's Butt. Boots	@ \$1.10	3	30
4 " Misses' Goat Lace Boots	" 1.25	5	
2 " Women's Pol. Calf.....	" 2.50	5	

R. Mills. *Order on him.....*"

10

Benjamin Hill.

3 prs. Men's Stoga Boots	@ \$1.80		
--------------------------------	----------	--	--

10

5 40

James Mooney.

43 prs. Men's Sewed Boots	@ \$5	215	
50 " Women's Polished Calf	@ 2	100	

Bills Rec. *Note at 10 ds.*11

315

W. Manning.

30 prs. Men's Calf Sewed Boots	@ \$5		
--------------------------------------	-------	--	--

Bills Rec. *Note at 10 ds.*

150

* This amount is not extended to the money column, because it will be transferred to the Cash Book, and therefore find its way to the Ledger as part of the total sales for the month.

CHAPTER VI.

SHIPMENTS AND CONSIGNMENTS.

It occasionally happens that a dealer has goods in his possession for which he cannot find a ready sale at his place of business, but for which there is a good market somewhere else. It will, in such a case, evidently be to his advantage to send these goods where they are in demand, and to employ a person doing business there to offer them for sale. As such goods, though shipped, are still *owned* by the person who sent them, it is obvious that he cannot treat them as property which he has sold. It is, therefore, necessary to use a special term to represent such. The representative titles "Shipment" and "Adventure" are the ones commonly employed.

SHIPMENTS.

Debit the Shipment for the <i>value</i>	||	Credit the Shipment for the <i>net</i> of the property represented, and for
	||	<i>proceeds.</i>

The entry is made on the Dr. side when the goods are shipped, and on the Cr. side when the Account Sales is rendered.

The person sending goods to be sold by another for him is termed the **Shipper or Consignor.**

If the shipper wishes to close his books before an Acct. Sales is rendered, he will close "*By Bal. Inventory,*" and carry the amount to the Dr. of Balance Acct.

If an Acct. Sales has been rendered, and if the proper entry on receipt of it has been made, the Dr. side shews the cost and the Cr. side the proceeds of the Shipment; consequently, the account will close into *Loss and Gain.*

Different Shipments are distinguished one from another by numbering them, and by attaching the name of the seller, or of his place of business to each. The third shipment sent to W. Mason, Montreal, for instance, might be styled "Shipment to Mason, No. 3."

The person to whom the goods are sent for sale is termed the **Agent or Consignee.**

When the Agent receives the goods he takes them in charge, paying freight, drayage, &c., if required. It may also be necessary for him to

store them away for a time, and to have them insured. Although the agent may do all this he does *not* become the *owner*; he merely assumes the management of them until they are sold, or ordered by the Consignor to be re-shipped. It will be clear, therefore, to the student who understands what the Mdse. Acct. represents, that it will be necessary to open a separate account to represent property to be sold on the account and risk of another. The heading usually employed is "**Consignment.**"

CONSIGNMENTS.

Debit the Consignment for all <i>values paid</i> on account of it, for the amount of <i>commission</i> on the sales, and for the <i>net proceeds</i> due the shipper.	|| Credit the Consignment for the <i>proceeds of sales.</i>
---	---

If the Shipper is not paid when the Acct. Sales is rendered his personal account must be credited; but if paid, the account or accounts representing whatever is remitted must be credited.

When a large commission business is carried on there will likely be a number of consignments *partly* disposed of at the time of closing the Ledger. It would be improper to render an Acct. Sales of the goods sold unless such were called for, and, therefore, it would be better not to debit the consignment for the commission earned on the goods parted with. But this commission represents value, and must be taken into consideration. The simplest and most logical method is to treat such consignments as *personal accounts*, closing them as they stand into Balance. Enter the commission on the sales effected in *total* on the Cr. side of the Commission account "*By Bal. Inventory,*" and carry to the Dr. side of Balance. As manifestly ought to be the case, this amount is placed among the Resources, while the accounts representing the property partly sold are left undisturbed.

When the new Commission account is opened, this balance will be brought down to the Dr. side of it. As the consignments are disposed of the total commission arising from each is entered on the Cr. side of the Commission Acct. The bringing down of the balance from the old account will obviously prevent the counting twice of that part of the commission that was before credited.

If it is not important to know the *exact* gain or loss for the term of business, the commissions on consignments partly disposed of may be disregarded at the time of closing.

Different Consignments are distinguished from one another by numbering them and by making use of the names of the Shippers. The second consignment received from William Wilson, for instance, might be styled, "Wilson's Consignment, No. 2."

W. H. Smith, Guelph, Ont., ships to W. Mason, Montreal, 40 bbls. Extra Flour, at \$4 per bbl., to be sold on the account and risk of the Shipper, who pays \$10 shipping expenses with cash.

On making the shipment, Smith will send Mason a letter advising him of the same, and he will enclose the invoice of the goods shipped.

(Advice of Shipment sent by Smith.)

GUELPH, Oct. 1, 1886.

W. MASON, Esq.,

Montreal, Que.

Dear Sir,—I have, this day, forwarded to you Flour, as per Invoice enclosed, to be sold on my account.

Hoping that a profitable sale may be effected at an early date, I remain,

Yours respectfully,

W. H. SMITH.

(Invoice enclosed.)

Invoice of 40 bbls. Extra Flour, shipped per G. T. R., Oct. 1, 1886, to W. Mason, Montreal, to be sold on commission.

	40 bbls. Extra Flour at \$4			160
	E. & O. E.			
	Guelph, Oct. 1, 1886.	W. H. SMITH, Consignor.		160

(Mason's Acknowledgment on Receipt of the Consignment.)

MONTRÉAL, Oct. 5, 1886.

W. H. SMITH, Esq.,

Guelph, Ont.

Dear Sir,—I have, this day, received, in good condition, your consignment of Flour as per Invoice of the 1st inst.

As prices are good, I shall put it on the market immediately.

Yours truly,

W. MASON.

Mason, on disposing of the consignment, will, as soon as convenient, send the shipper a statement shewing the amounts received for the goods and also the charges, such as freight, storage, commission, &c. Such a statement is termed an **Account Sales**.

(The Account Sales rendered by Mason.)

*Account Sales of 40 bbls. Extra Flour, received per G. T. R.,
Oct. 5, 1886, from W. H. Smith, Guelph, Ont., to be sold
on commission.*

1886		Sales.			
Oct.	7	<i>Sold for Cash,</i> 40 bbls. Extra Flour, at \$6			240
		Charges.			
Oct.	5	<i>Freight.</i>		30	
"	8	<i>Commission, 3% on Sales</i>		7	20
		<i>W. H. Smith's net proceeds, placed to his credit</i>			37 20
		<i>E. & O. E.</i>	<i>W. MASON,</i> <i>Consignee.</i>		202 80
		<i>Montreal, Oct. 8th, 1886.</i>			

EXAMPLES.

TRANSACTIONS.

JOURNAL.

1. Student shipped to Dickson for sale on commission 1200 bbls. Flour, which he bought of Jas. Keene at \$5 per bbl., giving in payment his own note at 10 days for \$1200, Keene's note, then due, for \$1000, and a check on the Molson's Bank for balance. Student paid shipping expenses, \$50, with cash.

2. Dickson, on receipt of the
Flour, paid freight, \$60, with
his sight draft on J. B. Wilson,
and drayage, \$10, with his
check on Merchants' Bank.

3. At the request of Student Dickson purchased 800 bbls. Flour at \$4.50, for which he paid cash, and added the same to the consignment. He paid freight, \$25, and drayage, \$5, with his check on Merchants' Bank.

(Student's entry.)	
<i>Ship't to Dickson Dr.....</i>	6050
<i>To Bills Payable....</i>	
<i>" Bills Receivable..</i>	
<i>" Molsons Bank...</i>	
<i>" Cash</i>	

(Dickson's entry.)		
<i>Student's Cons'gt</i>	<i>Dr.....</i>	70
<i>To J. B. Wilson....</i>		60
<i>" Merchants' Bank</i>		10

(Dickson's entry.)	
Student's Cons't Dr.....	3630
To Cash	3600
" Merchants' Bank	.30

EXAMPLES.—(Continued.)

TRANSACTIONS.

JOURNAL.

4. Dickson sold the whole consignment (less 10 bbls. damaged) to Robert Fullerton at \$5.50, and received in payment his own note for \$2000, then due, on which there had accrued \$150 interest; Fullerton's sight draft on John Campbell for \$1200, and a draft on the Bank of Montreal for the balance.

5. Dickson charged 2c. per bbl. for buying, 3c. per bbl. for selling, \$20 for storage, \$15 for cooperage, \$10 for insurance, and rendered an Account Sales, remitting Fullerton's sight draft as above, and a draft on the Merchants' Bk., purchased with cash, to settle in full with the shipper.

	(Dickson's entry)				
	Bills payable Dr.....	2000			
	Int. & Dis. ".....	150			
	Cash ".....	8795			
	To Student's Cons'g't				
					10945
	(Dickson's entry.)				
	Student's Cons'g't Dr.....	7245			
	To Commission		75	70	
	" Storage		20		
	" Cooperage		15		
	" Insurance		10		
	" Cash		7124	30	
	(Student's entry.)				
	Cash Dr.....	7116	90		
	Int. & Dis. ".....	740			
	To Ship't to Dickson				
					7124 30

EXERCISE I.

1. (Student's Name.) shipped to Smith for sale on commission, Mdse. invoiced at \$1,500.
2. Smith, on receiving the goods, paid \$10 freight with cash.
3. Smith sold the whole consignment for \$1,800, and received in payment a check on the Molsons Bank.
4. Smith charges 3% com. for selling, and renders an Acct. Sales, remitting a check on the Bank of Commerce to cover net proceeds.

(a) Give student's Journal entries.

(b) Write student's letter to Smith on making the shipment.

(c) Give Smith's Journal entries.

(d) Open Smith's Ledger. Shew how to close the accts.

EXERCISE II.

1. (Student's Name.) shipped to A. Megraw, to be sold on commission, 2,000 bush. Fall Wheat, at \$1 per bush. Paid shipping expenses, \$40 with his Note at 60 days.
2. Megraw, on receiving the consignment, paid \$10 for unloading with his note at 10 days, and \$15 for drayage with cash.

3. Megraw sold the consignment to F. Corbett for \$2,600, and received in payment his own note for \$200, A. Blue's note for \$300, an order on James Brown for \$400, a check on the Merchants' Bank for \$300, the balance to remain on account.
4. Megraw rendered an Acct. Sales, charging 2% for commission, $\frac{1}{4}\%$ for insurance and \$30 for storage.
 - (a) Give student's Journal entries.
 - (b) Make out the Acct. Sales (4).
 - (c) Give Megraw's Journal.
 - (d) Classify the accounts in Megraw's Ledger.

EXERCISE III.

1. Smith shipped to (Student's Name) to be sold on the acct. and risk of the Shipper, 100 bbls. Extra Flour at \$5: 400 bush. Fall Wheat at \$1, and paid shipping expenses, \$30, with his sight draft on C. Dickson.
2. (Student's Name), on receipt of the consignment, paid freight, \$40, with his draft at 60 days on A. Campbell; charges for unloading, \$15, with his check on Bank of Commerce; and drayage, \$10, with his order on Wm. Muir.
3. (Student's Name) sold the Flour to James Johnson at \$6.50 per bbl., and received in payment a sight draft on H. A. May for \$20: a draft at 30 days on W. Milne for \$20; and check on the Molsons Bank for balance.
4. (Student's Name) sold the Wheat to C. Kerr at 90c., and received in payment his note for \$30, and a check on Bank of Commerce for balance.
5. (Student's Name) charged $2\frac{1}{2}\%$ commission for selling, \$15 for storage, and rendered on Acct. Sales, remitting a Bill of Exchange bought at $\frac{3}{8}\%$ premium with net proceeds.

- (a) Give student's Journal entries.
- (b) Give May's entry and also Milne's entry (3).
- (c) Write all the student's correspondence with the Consignor in the order of its occurrence.
- (d) Give Smith's Journal.

EXERCISE IV.

1. Bought of R. Mills, on 3 months' credit, goods valued at \$200. Paid freight on the same in cash, \$4.
2. Received Wm. Henderson's note at 3 months in payment of account, \$50.
3. Received cash for the sale of J. Scott's goods, \$40.
4. Discounted for H. Hill his note (No. 4) @ 4 months, for \$500; Discount off, \$10. Paid Net Proceeds $\frac{1}{3}$ in goods from store and $\frac{1}{2}$ in goods from J. Scott's Consignment.

5. Gave R. Mills our check on the Molsons Bank for \$100.
6. Shipped by the G. T. R., by order and for acct. of Taylor & Co., an Invoice of goods amounting to \$500. Paid freight on the same in cash, \$25. My commission at 3% is \$15.
7. Lent J. Smith cash, \$5.
8. Found in till a counterfeit \$10 bill.
9. Bought at an auction sale Mdse. for cash, \$200. Sold it immediately at an advance of 5% receiving a check in payment.
10. Received cash, from J. Smith, \$5. (7).
 - (a) Give the Journal entries.
 - (b) Write the communication to Taylor & Co. in No. 6.
 - (c) What is the object of keeping a Freight Account? How should it close?
 - (d) Does transaction No. 6 affect the Freight Account? Explain fully.

EXERCISE V.

1. Received from Massey & Co., for sale on their account, an invoice of goods amounting to \$800. Paid freight in cash \$20.
2. Accepted Massey & Co's draft on us, owing to the above consignment, for \$400.
3. Sold E. H. Parks, on his note at 6 months, indorsed by B. Lawton, merchandise from Massey & Co.'s Consignment, \$300.
4. Shipped to S. Davidson & Co. 400 bush. Fall Wheat at \$1.00; 300 bush. Spring Wheat at 90c., for their account and by their order. Paid freight and other charges with A. Brook's acceptance at 60 days, \$24.
5. Shipped to S. Davidson & Co., for sale on my account and risk, 200 bush. Fall Wheat at \$1.10. Paid freight on same per check \$8.
6. Shipped to M. L. Sanderson, 300 bush. Fall Wheat from Manning & Macpherson's Consignment, No. 1. Paid freight on the same by giving an order on A. G. Hay for \$25.
7. Paid W. Huston's sight draft on me for \$500 in favor of John Doyle, with goods from store, \$300; goods from Massey & Co's Consignment, \$100; check for balance.
 - (a) Journalize the foregoing.
 - (b) Draw the note for No. 3.
 - (c) Make the sight draft for No. 7.
 - (d) Make out the invoice for No. 4.

SET IX.—GRAIN AND COMMISSION BUSINESS.

Books used—Journal, Ledger, Cash Book, and Bill Book, the last as an auxiliary.

Nov. 1, 1886.—(..... Student's name.) commenced the Grain and Commission business, investing as follows:

Resources.—Cash on hand, \$1,500; 400 bush. Fall Wheat at \$1; 1,000 bush. Oats at 40c.; R. Mills owes on account \$400.

Liabilities.—I owe W. Marling on account \$100, and F. Fraser, on account, \$50.

2. Deposited in Bank of Commerce \$1,400. Shipped to Fisher & Son, Montreal, to be sold on my account and risk, 500 bush. Oats invoiced at 40c.; 200 bush. Fall Wheat invoiced at \$1. Paid shipping expenses with cash \$20.
3. Bought of W. Young 500 bush. Wheat at 90c. Gave in payment my draft at 30 days on R. Mills for \$400 and check for balance.
4. Received from R. Fowler, Kincardine, to be sold on his account and risk, 1,000 bush. Barley, invoiced at 45c. Paid freight, \$30, with cash.
5. Accepted W. Marling's draft on me at 10 days' sight in favor of G. King for \$100.
6. Sold from R. Fowler's Consignment, No. 1, to J. Matheson 500 bush. Barley at 45c. Received in payment his note at 30 days.
8. Shipped to Fisher & Son, Montreal, (2nd shipment,) 400 bush. Oats invoiced at 40c. and 500 bush. Wheat at 90c. Paid shipping expenses \$40 with my order on Fisher & Son.
9. Bought of John Young, on one month's credit, 1,000 bush. Oats at 35c.; 500 bush. Barley at 50c. and 300 bush. Wheat at 80c.
10. Sold Tait & Co. 500 bush. Oats at 42c.; 300 bush. Wheat at \$1.05. Received in payment an order on Robert Ewing for \$200, the balance to remain on account.
12. Fisher & Son rendered an Account Sales of the goods shipped to them on the 2nd inst. They remitted my net proceeds in cash, \$450, which I immediately deposited.
13. Robert Ewing paid his order received from Tait & Co. on the 10th inst. with his check \$200.
15. Sold for cash to L. M. Stark 500 bush. Barley, at 52c., being the remainder of R. Fowler's Consignment, No. 1. Deposited in bank, cash \$400. Paid Marling's draft of the 5th inst. with check \$100.
17. Closed R. Fowler's Consignment, No. 1, and rendered an Account Sales. Commission 2% on sales, \$—. Storage 2c. per bush., \$—. Check remitted for net proceeds.
18. Bought of M. C. McCaul 600 bush. Oats at 30c. Gave in payment my note at 30 days for \$100 and my order on Tait & Co., for \$80.
19. Shipped to Sloan & Williams, Montreal, to be sold on my account and risk, 1,200 bush. Wheat invoiced at 80c. Paid shipping expenses, \$30, with cash \$20 and my sight draft on Tait & Co. for \$10.

20. Bought of A. Hilker 1,300 bush. Wheat at 80c. Gave in payment my check on the bank.

23. Received from Fisher & Son an Account Sales of my 2nd shipment made to them on the 8th inst. Net proceeds \$700, which is placed to my credit in their books.

27. Received from R. Fowler, Kincardine, (2nd Consigt.) to be sold on his account and risk, 1,000 bush. Barley. Paid freight, \$25, with check, and drayage, \$15, with cash.

29. Sold Robert Walker, 400 bush. Barley from R. Fowler's Consigt., No. 2, at 55c. Received in payment his note at 30 days for \$100, and his sight draft on Jas. Johnson for balance, \$120.

30. Discounted J. Matheson's note as per B. B. Discount allowed, \$15. Net proceeds deposited in Bank.

Inventories, Nov. 30, 1886.

Mdse.—300 bush. Wheat at 90c.; 1200 bush. Oats at 30c.,						
500 bush. Barley at 55c. Total					\$905	
Shipment to Sloan & Williams, No. 1.....					990	
Commission—2% on the part sold of R. Fowler's Consigt.						
No. 2					4 40	

NOTE.—All the correspondence in connection with this set is to be systematically done by the student as in actual business.

Statement—Set IX.

ACCOUNTS IN LEDGER.	DR.	CR.	RESOURCES.	LIABILITIES.	GAINS.	LOSSES.
Stock.....		2550				
Cash.....	2080	1885	195		90	
Merchandise	3310	2495	905			
Bills Receivable	375	275	100			
Bills Payable	100	200		100		
Bank	2510	1689 30	820 70			
Tait & Co.	325	90	235			
Interest & Discount	15					15
F. Fraser		50		50		
Ship't to Fisher & Son, No 1	420	450			30	
Commission		10 70	4 40		15 10	
R. Fowler's Consign't, No. 2	40	220		180		
Fisher & Son	700	40	660			
Storage.....		20			20	
Ship't to Fisher & Son, No. 2	650	700			50	
John Young.....		840		840		
Ship't to Sloan & Williams, No. 1	990		990			
Stock's net Inv'st...\$2550						
" " Gain... 190 10						190 10
" " Worth.....				2740 10		
	11515	11515	3910 10	3910 10	205 10	205 10

In the previous part of this chapter, it was the aim to establish the principles underlying the proper methods of dealing with shipments and consignments. The student who has grasped these principles is now in a position to make a practical application of them. As each branch of the Shipping and Commission business has its own peculiar requirements, it would be beyond the scope of this work to discuss these in particular. All that can be done is to exemplify in a general way, a method which is thoroughly practical, and which can easily be modified so as to meet the demands of any particular case. The books used are: a Commission Invoice Book, Commission Sales Book, Journal, Cash Book, Bill Book, and Ledger.

THE COMMISSION INVOICE BOOK.

This book is the one into which the first entry of a consignment is made. When the invoice sent by the shipper is received by the consignee, he either pastes the original invoice, or enters an abstract of it, into this book. He will also number the consignments, respectively, 1, 2, 3, &c. As soon as a consignment is received, the invoice will be checked, the title of the consignment being entered (red ink) in the margin, and every box, package, &c., belonging to it will be marked with the *distinguishing* number given to it. Different consignments from the same person should be marked A., B., etc. For example, the third consignment received from Thos. Murray might be entitled: "(10) Thos. Murray's Consigt. C.," and the fourth: "(18) Thos. Murray's Consigt. D." The letter of the alphabet shews the order among those received from the same person or firm; while the number shews the order among those received from all parties. The Commission Invoice Book is used merely as an auxiliary.

THE COMMISSION SALES BOOK.

Whenever a consignment is received, an account is opened with it in this book, having as its title that given to it in the Com. Invoice Book. This account is debited only for the actual amount which it *costs* the consignee for freight, drayage, storage, &c. It is credited with all *amounts* of sales as they occur. The method of posting from this book will be readily understood on examining the form shewn on pp. 100 and 101. Cash transactions are not posted from this book, but carried to the Cash Book. (No Cash Account is kept in the Ledger, as such would only cause additional work). When the goods belonging to a consignment are all sold, the account is charged with the commission, and an Account Sales is rendered. If the net proceeds are not remitted, the account in this book may be left open; or, it may be closed and the net proceeds may be placed to the credit of the consignor in the Ledger. If the net proceeds are remitted, the account with the consignment must be closed. The Com. Sales Book should be indexed just like the Ledger.

NOTE.—In making out the slips showing the sales, the clerks will use the Consignment numbers, as these are quite sufficient to identify the goods sold. Much time is saved by using the distinguishing numbers of the consignments instead of their full titles.

SET X.—EXPLANATIONS.

In this set the books from which the posting is done are: the Cash Book, Journal, and Commission Sales Book. All cash transactions are transferred from the Cash Book to the Ledger, such of them as are connected with consignments being first carried from the Commission Sales Book to the Cash Book. Entries belonging to consignments appear in the Commission Sales Book, and all excepting those involving cash are posted therefrom to the Ledger. Other transactions are entered into the Journal. At the time of closing, it must be remembered that the Commission Sales Book forms part of the Ledger.

SET X.—SHIPPING AND COMMISSION.

Books used—Commission Invoice Book, Commission Sales Book, Cash Book, Bill Book, Journal and Ledger.

—, March 1, 1887.

(Student's name.) has this day commenced a General Shipping and Commission business, with the following Resources and Liabilities:

Resources.—Cash on hand, \$2,500; Goods in store valued at \$1,250; D. Gunn's note for \$730, dated Feb. 1, 1887, drawn at 3 mos., and bearing interest at 7%; interest accrued, \$—; A. G. McKay owes me on account, \$75.

Liabilities.—I owe J. H. Steele on account, \$150.

Engaged H. A. McLaren as book-keeper at \$50 per month, and John Boyd as clerk at \$30.

Took out open policy of insurance on warehouse and contents for \$5000 at $\frac{5}{8}\%$. Paid premium with cash, \$—.

3. Deposited in the Bank of Commerce cash, \$1,500.

Shipped to R. M. Mercer, Toronto, 45 Dressed Hogs, 9,720 lbs., at $6\frac{1}{2}$ c., to be sold on my account and risk. Paid shipping expenses with my check, \$25.

Paid cash for Fuel, \$10.

5. Received from A. G. McKay on account 10 tubs Butter, 450 lbs., at 14c. Gave J. H. Steele my note at 10 days in full of account, \$—.

7. Received from Peter McGregor, Paisley, to be sold on commission, his first consignment, consisting of 180 bbls. Flour, invoiced at \$4. Paid freight, \$60, with my check, and drayage, \$20, with cash.

8. Sold Richard Baxter 100 bbls. Flour from Peter McGregor's Consignment at \$4.90. Received a sight draft on F. S. Sorby for \$300, an order on P. H. Somers for \$100, and a check on the Merchants' Bank for balance, \$—.

10. Received from R. M. Mercer an Account Sales of shipment to him of the 3rd inst. Net proceeds, \$750. He remitted a draft on the Molsons Bank, purchased with that amount. (Exchange $\frac{1}{8}\%$.)

11. Sold A. H. Manning 80 bbls. Flour from Peter McGregor's Consignment at \$5. Received in payment Samuel Barker's note for \$200, dated Jan. 14, 1887, at 4 mos., on which I am allowed discount at the rate of 6% for unexpired time; the balance to remain on account, \$—.
12. Received from E. P. Rice, Guelph, to be sold on commission, 50 kegs Butter, 2,250 lbs., invoiced at 13c. Paid freight with my check \$7.50, and drayage with cash, \$2.50.
14. Rendered Peter McGregor an Acct. Sales, charging him $2\frac{1}{2}$ % com., \$5 for storage, and \$4.30 for insurance.
Received from A. G. McKay, his note at 60 days, in full of account, \$—.
Paid for Telegram, cash 25c.
16. Received from Peter McGregor, Paisley, his second consignment of Flour, 120 bbls. at \$4.80. Paid freight with my check, \$40, and drayage with cash, \$10.
17. Sold Alex. Mann on account, 20 Dressed Hogs, 3,600 lbs. at \$6.20 per 1 cwt.
18. Remitted Peter McGregor, on account, D. Gunn's note as per B. B., allowing discount at the rate of 6%, and cash for balance, \$—.
(As this note bears interest, the amount when due must be discounted at 6% for the unexpired time.)
21. Sold Wm. Keefer from E. P. Rice's Consignment 30 kegs Butter, 1,420 lbs. at 15c.; from Peter McGregor's second Consignment, 40 bbls. Flour at \$5.50. Received in payment a draft for \$100 at 30 days' sight, on B. C. Mallory; a sight draft on A. Hilker for \$150, and a check for balance, \$—. (Mallory's acceptance taken at a discount of 2%).
22. Deposited in the Bank of Commerce, cash \$1,000.
24. Received from E. P. Rice, his second Consignment, consisting of 150 kegs Butter, 6,300 lbs. Paid freight \$13, and drayage \$4, with check.
25. Sold P. H. Somers on acct., from E. P. Rice's first Consignment, 20 kegs Butter, 830 lbs. at 15c.
Paid cash for Coal Oil, \$1.60.
26. Discounted Mallory's acceptance at 8% per annum, and deposited proceeds.
28. Rendered E. P. Rice an Acct. Sales of his first Consignment, charging 3% commission, \$2.50 for storage and \$1.20 for insurance.
Remitted Samuel Barker's note as per B. B., at a discount of 6% per annum and my check for remainder of net proceeds due the shipper.
29. Sold R. A. Foster for cash, 100 bbls. Flour at \$5.20.
30. Sold John Hardy the remainder of Peter McGregor's second consignment at \$5.60 per bbl. Received in payment a draft on the Bank of Montreal for \$200, a sight draft on Thos. Fraser for \$100, and an order on J. H. Steele for \$148.

30. Rendered Peter McGregor an Account Sales of his second consignment. Charges : commission, 3% of sales ; storage, \$4.50 ; insurance, \$3.50. Remitted the foregoing sight draft on Thos. Fraser, the balance of net proceeds being placed to the credit of shipper.

Received from P. H. Somers, M. S. Mercer's note for \$125, dated Jan. 4, 1887, at 3 months, and his check on the Bank of Montreal, to balance account.

21. Deposited in the Bank of Commerce, cash \$15.

A. H. Manning paid cash in full of account, \$—.

Paid H. A. McLaren \$50, and John Boyd \$30 per check.

Inventories, March 31.

Mdse.—Goods remaining unsold	\$86 09
Expense.—Fuel on hand.....	4 17

Result.—Net gain, \$200. Net capital at closing, \$4,608.92.

COMMISSION

(1) P. McGregor's

CHARGES.

1887							
Mar.	7	Bank of Commerce	Freight on 180 lbs. Flour, valued at \$7.20.....	60			
" "	V	Cash	Drayage	20			
" 14		Commission	My commission at 2½ %	22	25		
" "		Insurance	.....	4	30		
" "		Storage	.....	5			
" "		P. McGregor*	Net proceeds			111	55
						778	45
						890	

* When this account is closed an account with P. McGregor is opened in the Ledger. It is Cr. "By P. McGregor's Consignment, \$778.45." Some accountants do not close such as this until the remittance is made.

(2) E. P. Rice's ‡

CHARGES.

1887							
Mar.	12	Bank of Commerce	Freight on 50 kegs Butter, 2,250 lbs., valued at \$292.50.....	7	50		
" "	V	Cash	Drayage	2	50		

‡ This account is filled only in part. The student is expected to do the rest himself. There will be two other accounts in the Commission Sales Book, viz.: "(3) P. McGregor's Consignment B," and "(4) E. P. Rice's Consignment B."

SALES BOOK.

Consignment A.

SALES.

1887						
Mar.	8	✓	Cash.....\$390	Sold to R. Baxter 100 bbls. Flour		
"	"		P. H. Somers... 100	at \$4.90	490	
"	11		Bills Rec'ble.... 200	Sold to A. H. Manning 80 bbls.		
			A. H. Manning†. 200	\$5. Rec'd in part payment, Barker's note as per B. B.	400	
						890

† Journal entry: A. H. Manning, Dr. \$2.20. Int. and Dis., Cr. \$2.20.

Consignment A.

SALES.

JOINT ACCOUNTS.

When two or more persons (or firms) unite in the purchase and sale of some particular article or articles, with a view to making a profit thereby, a *special* partnership is formed, and the goods are said to be bought and sold on **Joint Account**.

The partners do not carry on business under a firm title, as in the case of a general partnership, for the joint interest extends only to the transactions connected with the articles specified at the time the contract was made. It is usual to appoint one of the persons concerned as *Manager*, and to define his duties as such.

Whenever goods are purchased or otherwise provided for the joint speculation, it becomes the duty of the partner who supplied them to furnish each member with a copy of the invoice. On the disposal of the property, the manager will render an Account Sales to each.

"Shipment Co." or **"Adventure Co."** is a representative title under which the amount of *our interest* in goods or other property to be sold on joint account is placed.

"Merchandise Co." is a title representing goods *received by us* to be sold on joint account.

SHIPMENT CO.'S.

Debit Shipment Co. for *our interest* in property shipped by us, or furnished by others, to be sold on our joint account and risk, and also for *our share of expenses* on the same.

Credit Shipment Co. for *our share of the net proceeds* when an Account Sales is received.

If at the time of closing the books, a part of the goods remains unsold, and if an account of partial sales has been received, Shipment Co. should be *credited* for our share of the proceeds, as well as for our interest in the property remaining unsold.

If no Account Sales has been rendered, Shipment Co. should be *credited* "By Balance Inventory" for the amount necessary to close the account.

Shipment Co.'s are closed either "To" or "By Loss and Gain."

Different Shipment Companies are distinguished by numbering them or by affixing letters of the alphabet, as: "Shipment Co., No. 1." "Shipment Co., No. 2." "Shipment Co., A.," &c.

MERCANDISE CO.'S.

Debit Mdse. Co. for *our interest* in the property received, and for *all the charges* on the *whole shipment*.

Credit Mdse. Co. for the *proceeds of sales*.

At the time of closing, Mdse. Co. will be debited for all *unposted* charges for the net proceeds due the shipper, and for *our share of the net*

gain (if any). When there is a loss, Mdse. Co. will be credited for *our share* of it.

When a remittance to cover shipper's net proceeds is made at the time of rendering the Account Sales, the account or accounts representing what is remitted should be credited, instead of the shipper.

If at the time of closing the books the property belonging to the Co. Sales should be but partially sold, Mdse. Co. would have to be credited "*By Balance Inventory*" for only our share of the goods on hand, the remainder being owned by the shipper or shippers.

With regard to the commission earned on Co. Sales partially disposed of, the method explained on page 88 should be adopted. Sometimes such amounts of commission are left out of consideration altogether at the time of closing the books. This may be done when these amounts are small, and it is not important to find the exact gain or loss for a particular term of business.

If no sales have been made, Mdse. Co. should be credited "*By Balance Inventory*" for the sum necessary to close the account.

At first sight it may seem a little strange to regard the charges for which we have debited the Mdse. Co. as a resource, but on reflection it will be seen that this is the proper view to take. Certainly, we have paid a portion of these charges for ourselves, thereby increasing the cost of our share of the goods. Is it, therefore, not reasonable to consider the goods belonging to the Co. Sales worth their total cost? If so, the position we take is the proper one; for the remainder of the charges we in reality, pay for the other partners, who will practically refund to us the amount we have paid for them when a settlement is effected.

Different Merchandise Companies are usually distinguished by affixing letters of the alphabet, as "Mdse. Co., A," "Mdse. Co., B," &c.

To FIND THE NET PROCEEDS.—From total sales deduct total charges, such as freight, storage, insurance, commission, &c., and the remainder will be the net proceeds of the business. This being done, the part belonging to each person is found by dividing the whole according to agreement.

To FIND OUR NET GAIN.—From our net proceeds deduct our net cost, and the remainder will be our net gain. If our net proceeds are less than our net cost, the difference, will, of course, be a loss.

Company accounts are generally closed whenever the property belonging to them is disposed of.

EXAMPLES.

TRANSACTIONS.

JOURNAL ENTRIES.

1. D. S. Baker shipped to S. L. Mason, to be sold in joint account, 650 bbls. Apples, invoiced at \$1.80. The shipper took 300 bbls. from his own warehouse, and the rest he bought of Taylor, giving in payment Jones' check on the Molsons Bank. He paid shipping expenses \$30 with his sight draft on Cameron.

2. Mason, on receiving the Apples, paid freight \$80, and drayage \$10, with cash.

3. Mason sold the whole consignment (less 10 bbls. damaged) to Welsh & Co. at \$2.60, and received in part payment Miller's note for \$200, due in 3 months (discount 8% per annum), and Wilson's sight draft on Manning for \$150.

4. Mason charged 2% for selling, 2c. per bbl. for storage, ½% for insurance, and rendered an Account Sales remitting Wilson's sight draft on Manning as above, and an order on Welsh & Co. to settle with Baker.

5. Baker received the Account Sales and remittance.

	Baker's entry).			
<i>Shipment Co.</i>	<i>Dr.</i>	600		
<i>Mason</i>	<i>"</i>	600		
	<i>To Mdse.</i>	540		
	<i>" Cash</i>	630		
	<i>" Cameron</i>	30		
	(Mason's entry.)			
<i>Mdse. Co.</i>	<i>Dr.</i>	690		
	<i>To Baker</i>	600		
	<i>" Cash</i>	90		
	(Mason's entry.)			
<i>Bills Receivable</i>	<i>Dr.</i>	200		
<i>Cash</i>	<i>"</i>	150		
<i>Welsh & Co.</i>	<i>"</i>	1318		
	<i>To Mdse. Co.</i>	1664		
	<i>" Int. and Dis.</i>	4		
	(Mason's entry.)			
<i>Mdse Co.</i>	<i>Dr.</i>	974		
<i>Baker</i>	<i>"</i>	600		
	<i>To Commission</i>	33 28		
	<i>" Storage</i>	13		
	<i>" Insurance</i>	5 85		
	<i>" Cash</i>	150		
	<i>" Welsh & Co.</i>	1210 93		
	<i>" Loss and Gain</i>	160 94		
	(Baker's entry.)			
<i>Cash</i>	<i>Dr.</i>	150		
<i>Welsh & Co.</i>	<i>"</i>	1210 93		
	<i>To Shipment Co.</i>	760 93		
	<i>" Mason</i>	600		

Account Sales of 650 bbls. Apples, sold on joint account of D. S. Baker and S. L. Mason, each one-half.

<i>Sales.</i>					
<i>Sold to Welsh & Co. 640 bbls. (10 damaged) at</i>					
.....		\$2 60			1664
<i>Charges.</i>					
<i>Freight and Drayage</i>		90			
<i>Storage</i>		13			
<i>Insurance</i>		5	85		
<i>Commission</i>		33	28	142	13
<i>Total net proceeds</i>				1521	87
<i>My $\frac{1}{2}$ net proceeds</i>		\$760 94			
<i>Your $\frac{1}{2}$ net proceeds</i>		760 93			
<i>Remitted by sight draft on Manning and order on Welsh & Co. to cover net proceeds and close account</i>			\$1360 93		
<i>E. & O. E.</i>	<i>S. L. MASON,</i>				
	<i>Consignee.</i>				
<i>Clinton, June 9, 1887.</i>					

In the following exercises, the student will give the partners' Journal entries and make out the Account Sales in each case. He will also write the correspondence required.

EXERCISE I.

- Monroe shipped to Gilroy for sale on joint account, 1,200 bush. Wheat, invoiced at 90c., and paid shipping expenses with cash, \$30.
- Gilroy on receipt of the Wheat paid freight, \$50, with his check, and drayage \$10, with cash.
- Gilroy sold the whole shipment to Kerr & Co. for \$1,200, receiving in payment Brown's sight draft on Jones for \$500; McKay's acceptance due in 10 days for \$400; an order on Corbett for \$100; the balance to remain on account.
- Gilroy charged 2% commission, \$10 storage, \$3 insurance, and rendered an Account Sales, remitting Brown's sight draft as above, and his own note at 20 days, to cover the amount due the shipper.

EXERCISE II.

- A shipped goods, invoiced at \$1,250, to B, for sale on joint account and paid shipping expenses \$25, with his note.

2. B, on receipt of the goods, paid freight \$30, with cash and drayage \$6.50, with his check.
3. B sold the whole of the goods to C for \$1,440, and received in payment C's sight draft on D for \$600; E's acceptance for \$700 short due 10 days, and G's check for balance, \$—.
4. B rendered an Account Sales, charging 3% commission, \$3.50 for storage, and \$1.45 for insurance. He remitted a bank draft purchased with the amount required to settle in full with the shipper

EXERCISE III.

1. Avery shipped to Black for sale on joint account 2,500 bbls. Apples, invoiced at \$1.20 per bbl. Paid cash, \$20, for loading.
2. Black, on receipt of the Apples, paid freight, \$160, with his check; he also paid drayage, \$20, with cash.
3. Black added to the joint sales 500 bbls., which he purchased from McLeod at \$1.10, giving in payment his sight draft on Murray for \$400 and his note at 10 days for the balance, \$—.
4. Black sold the whole of the Apples (less 10 bbls. which spoiled) to Mason at \$1.70. He received in payment Hilker's acceptance due in 15 days for \$800, Bruce's sight draft on McKay for \$400, and Mason's check for the balance, \$—.
5. Black charged 2c. per bbl. commission for buying and selling, \$30 for cooperage, \$10 for insurance, and \$20 for storage; and rendered an Account Sales, remitting to Avery, Bruce's sight draft as above in part payment of net proceeds.

EXERCISE IV.

1. A. Ruby shipped to Morris & Co., for sale on joint account, 2,500 bbls. Apples, at \$1 per bbl., paying shipping expenses \$175, with his check on the Merchants' Bank.
2. Morris & Co., on receipt of the Apples, paid \$15 drayage with cash.
3. Morris & Co. sold A. McGarva, from the consignment, 1,000 bbls. at \$1.25 per bbl., and received in payment their own note for \$400; McGarva's note for \$600; and a check on the Merchants' Bank for balance.
4. Ruby drew at sight on Morris & Co. for \$500.*
5. Morris & Co. sold W. H. Houston on acnt., 800 bbls. at \$1.30, from the Co. Sales.
6. Morris & Co. sold H. J. Taylor 680 bbls. (the remaining 20 bbls. being useless), at \$1.40 per bbl., and received in payment his note at 30 days for \$300; an order on D. L. Brown for \$120, and cash for balance.
7. Morris & Co. charged $2\frac{1}{2}$ cts. per bbl. storage, $\frac{1}{4}\%$ insurance (on invoice price), and 2% commission. They render an Account Sales remitting a draft on the Molsons Bank, purchased with the amount due A. Ruby.

*Ruby will credit Morris & Co., not Shipment Co. Morris & Co. will debit Ruby.

EXERCISE V.

— May 16, 1887.

Student shipped to Murray & Cassidy to be sold on joint account 5,000 bush. Wheat, invoiced at 80c., which he purchased of Muir & Co., giving them in payment his note at 10 days for \$1,000, an order on S. K. Brown for \$500, and his check on the Bank of Montreal for balance. Student paid shipping expenses, \$40, with cash.

20. Murray & Cassidy, on receipt of the Wheat, paid freight, \$60, with check, and drayage, \$10, with cash
21. Murray & Cassidy added to the consignment 1,000 bush. Wheat, purchased of S. Taylor at 85c. They gave in payment a sight draft on Cameron & Campbell.
23. Murray & Cassidy sold the whole consignment to Robert H. Carson, 6,000 bush. Wheat at \$1. They received in payment their own note for \$1,000, short due 73 days, at a discount of 6% per annum ; a 90-day draft on Pallister & Co. for \$1,500, and a sight draft on Kellar & Co., for \$2,000 ; the balance to remain on account.
25. Murray & Cassidy rendered an Account Sales, charging 3% commission for selling, 2% for buying, \$60 for storage, and \$10.50 for insurance. They remitted the foregoing sight draft on Kellar & Co., and a draft on the Molsons Bank for which they gave cash to settle in full with student.

CHAPTER VII.

PARTNERSHIP.

When two or more persons, by mutual consent, unite either the whole or a part of their property or services, for the purpose of performing a work, or carrying on a business, and agree to *share in the gains and losses*, a **partnership** is said to be formed.

No contract can properly be called a partnership unless there is *commun
ity of profit*.

A partnership may have for its object the prosecution of any *lawful* enterprise. The contract need not be in writing, as the acts of the parties concerned are taken as evidence of its existence. Although an oral agreement is quite legal, it is usually more satisfactory to have a written document giving full particulars.

Any person of sound mind and not under legal disability, may be a **partner**.

An **active partner** is one who has an interest in the business, and is *known to the public as a partner*.

A **silent or dormant partner** is one who has an interest in the business, but is *unknown to the public as a partner*.

A **nominal partner** is one who allows his name to be used for the benefit of the firm, *without having any pecuniary interest* in its business.

A **special partner** is one who is held liable for only a *specified amount*.

Generally speaking each member of a firm is responsible for the acts of the firm, or of any of its members, these acts being *within the scope of the partnership*.

It is, therefore, indispensable that the utmost *good faith* should be maintained between partners.

A partner cannot bind the firm by contracts clearly *out of the ordinary course* of business; but the firm is responsible for even the fraudulent acts of any of its members committed within the proper limits of the partnership.

When a new partner is admitted, he is under no obligation to pay any debts, or fulfil any contracts of the old firm (unless he agrees to assume them), as an entirely new partnership is formed.

Trading partnerships must be *registered* within the first six months of their existence. Changes of membership must also be registered.

A partnership may be **dissolved** as follows:—

(a) By the *consent* of the partners.

(b) By the *death* of one of the partners or by his becoming *legally incapacitated* for transacting business.

(c) At the *expiration of the term* of the contract; or on the *completion of the work* undertaken.

- (d) At the *request* of one of the partners when the time is indefinite.
- (e) By the *bankruptcy* of a partner, or of the firm.

[*NOTE.*—There are other circumstances which might cause a dissolution, but the consideration of them would be beyond the limits of this work.]

All cases of dissolution, except those resulting from process of law, bankruptcy, or the death of a partner, should be registered. Due notice should be given in the local papers, and also to all parties who usually dealt with the firm.

In a partnership business it is necessary to keep an account in the Ledger with *each* partner.

PARTNERS' ACCOUNTS.

Debit each partner for his <i>liabilities assumed</i> by the firm at commencing, for his <i>withdrawals</i> , and for his <i>net loss</i> (if any) at the time of closing.	Credit each partner for his <i>investment</i> , and for his <i>net gain</i> (if any) at the time of closing.
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When it is likely that several amounts may be withdrawn during a term of business, the best plan is to open a *private account* with each partner, debiting it for sums *taken out for private use* by him and crediting it for sums *invested*. These accounts will be closed into their respective Stock Accounts, before balancing the Ledger.

Before taking a new partner into a business the books should be closed so that the true state of affairs may be known to all parties concerned. Such a course will prevent any misconception in regard to the finances of the business, and thus save trouble when a settlement is to be made.

The newly admitted partner is credited with his investment, after which he becomes a sharer in the gains and losses as per contract.

PARTNERSHIP SETTLEMENTS.

By a partnership settlement is meant the equitable distribution of the effects of a firm at the end of a term of business, or at the time of dissolution.

When a partnership ceases, the books are usually left in the hands of one of the members of the late firm, until a proper adjustment of the proceeds is made. The books must be balanced and the losses or gains, being apportioned according to the terms of contract, must be transferred to the partners' accounts, respectively. A financial statement will be made and a copy of it given to each partner, so that he can make the proper entries in his own books.

In his own *private books*, each partner will hold the firm Dr. for the amount *placed to his credit* in the partnership books, and make the firm Cr. for all sums *received in payment* from it.

In the *partnership books* each partner's account is made Dr. for all values *paid to him* by the firm, while the accounts representing such values are made Cr.

When partners invest equal amounts and give their time and attention to the business, it is customary to divide the gains and losses equally.

When partners invest equally, but one of them manages the business, he should be allowed a fair salary for his work, the balance of the profits being shared according to investment.

If two parties, say, invest unequal amounts, the one contributing the smaller sum should pay the other interest on *one-half* the difference between the investments. This being done, the gains and losses should, in fairness, be shared equally.

EXERCISE I.

Three men, A, B and C, form a partnership, investing equal amounts. A receives \$1,000 and pays expenses, \$260; B receives \$360 and pays expenses, \$240; C receives \$1,200, and pays over to B, \$400. They have at the time of dissolution, mdse. on hand, \$300, which B agrees to take. What payments must be made to effect a settlement?

EXERCISE II.*

—, April 18th, 1887.

Smith and Murray this day agree to carry on a partnership business, the gains and losses to be divided in proportion to investment.

Smith invests: Cash, \$700; mdse., \$1,300; A. Wilkin's draft for \$150 on S. A. Cooper, dated April 1, 1887, at 60 days; balance in favor of P. M. Campbell, \$30.

Murray invests: Cash, \$1,800; balance of John Kennedy's account, \$400.

May 2. Smith withdraws cash, \$50.

May 9. Murray withdraws cash, \$30.

May 31. The firm has cash on hand, \$1,600; merchandise in store, \$2,000; amount due on personal accounts, \$440; others' notes on hand, \$800; notes outstanding, \$143; the Expense Account is Dr. for \$140.

(a) Open the partners' accounts and make the entries in them.

(b) Find the loss or gain; divide it according to agreement and close the accounts.

(c) Explain the terms, *partnership*, *nominal partner*, and *silent partner*.

EXERCISE III.

—, June 6th, 1887.

A, B and C agree to do a partnership business as follows: A is to receive 2% of the sales as manager, and B 1% as clerk. A invests cash \$2,000; B, merchandise, \$1,500; and C a draft at 90 days on Macpherson & Co., for \$3,000, dated May 17, 1887, which is immediately discounted at the Merchants' Bank, at 5% per annum. Proceeds placed to the credit of the firm, \$—

9. Deposited in the Merchants' Bank, cash, \$1,500.

*As the sums withdrawn are small, comparatively, the amount each has in the business before closing, may be regarded as his net investment.

10. Bought of D, 2,000 bush. Wheat at 90c. Gave in payment, check on the Bank.
21. Sold to E, \$1,500 bush. Wheat at \$1; 300 bbls. Flour at \$5. Received in payment his note at 30 days for \$1,500, and cash for the balance \$—.
24. Bought of D, 1,500 bush. Wheat at 84c.; 500 bush. Peas at 50c. Gave in payment E's note at a discount of 5% per annum for unexpired time. Paid the balance in cash.
27. Paid expenses with cash, \$80.
30. Sold out the entire stock of goods for cash, \$2,500.

(a) Open all the necessary accounts and make the proper entries in them.
 (b) Make out a statement of Losses and Gains. Find the net gain of each.
 (c) Close the accounts.
 (d) What is necessary to constitute a partnership?
 (e) Name five ways by which a partnership may be dissolved.

SET XI.—SIX-COLUMN JOURNAL.

A very convenient form of Journal Day Book is here introduced. By referring to pages 114 and 115, it will be seen that there are special columns for cash and merchandise debits and credits. The amounts placed in the *Sundries* column are posted *separately* every day, and the page of the ledger to which each is transferred, is placed opposite it in the column headed "L. F." At the end of the month the cash and merchandise columns are added, and the *totals* are carried to their respective accounts in the Ledger. The cash balance may be found every day if necessary, and the amount of it entered in red ink. The Ledger pages of the Cash and Merchandise accounts will be entered in the proper column, opposite the footings of the corresponding special columns.

In actual business it will be found advantageous to have a column for every account to which a considerable number of items belongs. For instance, if notes are handled extensively, there should be special columns for *Bills Receivable* and *Bills Payable*.

The *advantages* of the special column Journal are as follows :

- (a) Much time is saved by posting totals instead of separate amounts.
- (b) The probability of making errors is reduced to a minimum.
- (c) The monthly footings of the special columns being shewn, comparisons can easily be made.
- (d) This book takes the place of the Day Book, Journal, Cash Book, Invoice Book and Sales Book. [It is always necessary to keep a Bill Book when many notes enter into the transactions of a business.]

SET XI.—HARDWARE BUSINESS.

* Books used.—Six Column Journal, Bill Book, and Ledger.

(TWO PARTNERS.)

— May 2nd, 1887.

(Student's name here) and L. M. Hay have this day entered into a co-partnership to carry on a Wholesale and Retail Hardware business on — Street, agreeing to share gains and losses according to investment. The business is to be conducted under the firm name of (Student's name here) & Hay.

(Student's name here) investment: Cash, \$1,000; A. B. Matheson's acceptance \$750 at 1 month, dated April 20; Wm. Mann owes on acct., \$200; David Marshall has to his credit \$14. Total, \$—.

L. M. Hay's investment: Cash, \$410; Merchandise, \$1,250; John Jamie son owes on acct., \$300. Total, \$—.

2. Bought of Thos. Campbell, mdse. as per invoice, \$600. Gave in payment an order on Wm. Mann for \$50, and cash for balance, \$—. Paid in advance, two months' rent, \$60.

4. Deposited in the Merchants' Bank, cash, \$700. Sold M. Cameron for cash 1 doz. chest Locks at 25c. a piece; 2 doz. prs. chest H'dles at 20c. per pr., \$—.

5. Bought of Massey & Co., goods as per invoice, \$400. Gave check in payment.

Sold Jas. Lambert for cash, 2 doz. Royal Canadian Wringers at \$5; 500 gals. Machine Oil at 50c.; 4 doz. Hay Forks at 50c.; 3 doz. Spades, D. H'dle, at \$1.10; 4 doz. Steel Shovels at \$1. \$— Deposited cash, \$481.60.

6. Sold Neil Cairns 4 gals Turpentine Varnish at \$1.50; 12 gals. Machine Oil at 60c.; 4 pkgs. White Lead at \$2; 100 lbs. Venetian Red at 5c. Received in payment a draft at 30 days on Wm. Malcolm, \$—.

7. Sold Robert Calder 1 Royal Canadian Wringer at \$5.50; 2 prs. Match Planes at \$1.50 per pr.; 1 carpenter's Mortise Gauge at \$1; 4 Scan. Padlock's at 50c., \$—. Received in payment his order on W. Howson.

Shipped to F. McKay, St. Catharines, to be sold on our acct. and risk; goods invoiced at \$800. Paid shipping expenses on the same with check, \$50. Paid cash for stationery, \$2.50

Sold Jas. Johnson, 2 doz. Spades, D. H'dle, at \$1.25 each; 2 doz. Shovels at \$1 each. Received in payment a check on the Bank of Montreal for \$40, and cash for balance.

Discounted A. B. Matheson's acceptance as per B. B. at the Bank, at the rate of 6%. Proceeds deposited, \$—.

Paid for stationery and postage, \$1.50.

* The pupil will understand that the invoices must either be pasted in a book for the purpose or properly filed, so that they may be referred to conveniently. A Check Book and Bank Pass Book must also be kept to shew the dealings with the Bank.

16. Received from John Jamieson on acct., an order on John Wilson for \$70; W. Barker's note at 2 months, dated May 1, 1887, for \$50; and his own note at 30 days for balance.
18. Paid cash for stationery, 50c.
20. F. McKay rendered an Account Sales of the goods shipped to him on the 8th inst. Net proceeds, \$900. He remitted a draft on Bank of Commerce, purchased with that amount.
23. Received from W. Mann, on account, his check on Bank of Hamilton \$100; W. Mill's acceptance of 30 days sight, dated May 11, 1887, for \$30.
25. Shipped F. B. Baker, Hamilton, to be sold on our account and risk, goods invoiced at \$600. Paid transportation charges with check, \$20.
27. Sold D. Marshall on account, 2 Jack Planes at \$1; 1 Try Plane at \$1.60; 3 Jointers at \$1.80; 6 Framing Chisels at \$1; 3 Hand Saws at \$1.50; 1 Rip Saw at \$2. 1 Plumb and Level at \$2; 3 Brick Trowels at \$1; 4 Plastering Trowels at \$1.25.
28. W. Howson paid his order received from R. Calder on the 7th inst., \$—.
30. Drew on F. B. Baker at 30 days for \$50.
31. Paid clerk's salary, \$30.

Inventory:

Mdse.—Goods unsold	\$472 40
Expense.—One month's rent paid in advance	30 00
Shipment to Baker.....	620 00

JOURNAL.

—, May 2, 1887.

600	Mdse.	To Wm. Mann.....	Dr....	50
	" Cash.....			550
	Bo't of Thos. Campbell Mdse. as per invoice, \$600. Gave in payment an order on Wm. Mann; cash, \$550.			
60	Expense	To Cash.....	Dr....	60
	Paid two months' rent in advance, \$60.			
	4	4		
700	Merchants' Bank	To Cash.....	Dr....	700
	Deposited in Merchants' Bank, \$700.			
780	Cash	To Mdse.....	Dr....	780
	Sold M. Cameron for cash,—			
	1 doz. Chest Locks @ 25c.....			\$3
	2 doz. prs. Chest Handles @ 20c.....			480
	5	5		
400	Mdse	To Merchants' Bank.....	Dr....	400
	Bo't of Massey & Co. Goods as per invoice, \$400, giving my check.			
2010		Amounts forward		2010
1417	0	2250		4360
				1310

As a new partner is to be taken into the concern, the books will be closed, and a statement shewing the condition of the business made out. This being done faithfully, there can be no dispute afterwards in regard to the standing of the partners at the time the new partnership is formed.

The pupil will see that it is absolutely necessary to close the loss and gain accounts, in order to give each member of the firm credit for his share of the net gain, or to debit him for his share of the net loss, as the case may be.

Although it is customary when admitting a partner, to close the resource and liability accounts, it is not indispensable that such should be done, for the simple reason that the closing of an account, shewing by the difference between its sides, a resource or liability, does not effect any *important* change, as the balance must be brought down on re-opening the account.

BALANCE SHEET.

(Student's surname) & Hay.

(Taken May 31, 1887.)

		Resources.			Liabilities.			
		L.	F.		1887		L.	F.
1887					May	31		
May	31	Cash on hand....		1137 67	(Student's name)			
		Mdse. (as per Inv.)		472 40	Net worth.....		2044	40
		Bills Receivable..		336 20	L. M. Hay's Net			
		Bal. of deposit in			worth.....		2069	74
		Merchants' Bank			Balance due F. B.			
		Personal accts. re-			Baker.....			
		ceivable		107 50				50
		Ship't to Baker						
		(Inv.).....		620				
		Expense (Inv.)....		30				
				4164 14				
1887		Losses.			Gains.			
May	31	Int. and Dis*		2 36	May	31	Merchandise.....	235
		Expense		64 50			Ship't to McKay..	50
				66 86				
		Net gain to credit						
		of (Student's						
		name)						
		108 40						
		Net gain to credit						
		of Hay						
		109 74						
				285				

* This includes the Exchange. The student will open an Exchange Account for the month of June.

SET XI.—Continued.

June 1, 1887.—L. M. Hay and (Student's name here.) have this day admitted H. P. Carey as a partner, to carry on a Wholesale and Retail Hardware business under the firm name of (Student's surname here.), Hay & Co. H. P. Carey puts into the business, cash, \$2,500. They agree to share gains and losses in proportion to the capital invested.

1. Discounted Barker's acceptance, as per B. B., at 6% per annum. Proceeds received in cash, \$—.
2. Bought of Thos. Campbell, London, an invoice of goods amounting to \$365. Accepted his draft at 30 days for the same. Paid freight, \$14.50 ; drayage, \$2.
3. Deposited in Bank, cash, \$3,000 Sold Jas. Johnson on account, 1 Parlor Cook Stove, \$14 ; 1 Kitchen Stove, \$30. Bought of Beatty & Co., Toronto, goods as per invoice, \$720. Remitted a Bank draft for that amount, purchased with check.
4. Received from F. B. Baker, an Acct. Sales of the goods shipped to him on the 25th ult. Net proceeds, \$700. He remitted a draft on the Merchants' Bank (which we immediately deposited) for the sum, less $\frac{1}{8}\%$.
5. Received from J. Wilson, cash in full of account, \$—. Paid for advertising, \$5 ; postage and stationery, \$1.50.
6. Sold Neil Cairns for cash, 2 doz. Spades, D. H'dle, at \$1.50 each ; 3 doz. Steel Shovels at \$1 each, \$—.
7. Sold W. Mann, 1 Circular Saw, \$90 ; 4 Rip Saws at \$2 ; 3 Framing Chisels at \$1. Received in full payment his check on the Molsons Bank, \$—.
8. Hay withdrew from the business, cash, \$69.74. Received from W. Malcolm, cash for his acceptance as per B. B., \$—.
9. Sold D. Marshall, on account, 3 Try Planes at \$1.60 ; 3 Hand Saws at \$1.50 ; 10 packages White lead at \$2 ; 10 gals. Machine Oil at 60c. ; 5 gals. Turpentine Varnish at \$1.60. \$—.
10. Prepaid with cash my acceptance favor of Thos. Campbell. Rate 6%. Deposited cash, \$50.
11. Received from W. Mann, cash in full of account, \$—.
12. Bought of Bailey & Son, Toronto, an invoice of goods amounting to \$750, trade discount of 5% being allowed. Remitted a draft for the net cost, for which we issued a check. Paid freight, \$15 ; drayage, \$3.
13. Received from D. Marshall on account, cash, \$30. Paid for advertising, \$5. Sold Alex, Monroe on account, 1 doz. Mortise Locks, \$2 ; 20 lbs. Shingle Nails at 4c. ; 100 Carriage Bolts at 2c. ; 20 lbs. Putty, 4c. \$—.
14. Sold A. M. Mallory, on his acceptance at 60 days, 6 Hand Saws at \$1.60 ; 10 Steel Squares at \$1.50 ; 2 doz. Jet Knobs at \$5 per doz. ; 2 doz. Oil Cans at \$4.20 per doz. ; 15 packages White Lead at \$2. \$—.

24. Received from Alex. Monroe in full of account, 2 cords Wood at \$2.80.
 Sold S. W. Cooper, 2 Scoop Shovels at \$1.50 ; 1 set Auger Bits,
 \$4 ; 1 Nickle-plated Brace, \$2.50. \$—. Received in payment an
 order on Thos. Murray, for which he immediately paid cash.

25. Discounted Mallory's acceptance as per B. B. Rate, 6%. Proceeds
 in cash, \$—.

27. (^{Student's name here.}) withdrew from the business, cash, \$44.40. Sold H.
 P. Stanley for cash, 1 set Plated Knives and Forks, \$5.50 ; 4
 Bronzed Metal Knobs at \$1 ; 4 Mortise Locks at 40c. \$—.

28. Loaned H. C. Corbett on his note at 10 days, \$60. Sold A. K. Sim-
 mons, 1 Cook Stove, \$40 ; 40 lengths Pipe at 20c. ; $\frac{1}{2}$ doz. Tea
 Spoons at \$6 per dozen ; 12 Milk Pans at 20c ; 5 Milk Pails at
 40c. Received cash, \$20.

29. D. Marshall failed and made an assignment, his creditors being paid
 60c. on the dollar. Received cash for our share, \$—.

30. The partnership being this day dissolved, it is agreed that the Student
 will carry on the business in his own name. He assumes all the
 effects and liabilities of the late firm, and has to pay the retiring
 partners their respective shares of available funds, the balance to
 be paid in 3 months.

Inventory.

Goods on hand.....	\$1,968.85
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REMARKS ON THE BALANCE SHEET.*

A Balance Sheet, being a summary of the facts contained in a dealer's books, arranged in such a manner as to show at a glance the state of his business, must exhibit the following:—

1. *The Ledger Titles.*

These should be given in full when it is convenient to do so. When there is a considerable number of Personal Accounts they may be divided into "Personal Accounts Receivable," and "Personal Accounts Payable," in order to save space.

2. *The Ledger Folios.*

3. *The Dr. and Cr. footings of each account or group as explained in (1).*

4. *The Inventory.*

5. *The Losses and Gains.*

6. *The Proprietor's (or partners') net Capital.*

7. *The Resources and Liabilities.*

The student will close the Loss and Gain accounts and make out a Balance Sheet of the following form:—

*The student must not confound "Balance Sheet" and "Trial Balance." A Trial Balance is used merely to test the correctness of the Ledger.

BALANCE SHEET—SET XI.

Taken June 30, 1887.

BOOK-KEEPING.

19

ACCOUNTS.	FACE OF LEDGER.		(STUDENT'S NAME.)		L. M. HAY.		H. P. CAREY.		RES'S. LIAB'S.	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.		
			IN'V'TY.	LOSSRS.	GAINS.					
(Student's name)	44	40	2044	30						
L. M. Hay	69	74	2069	74						
H. P. Carey			2500							
Cash	4137	96	3633	82						
Merchant's Bank	5209	49	1434	29						
Mechanical	2304	40	444	90	1968	85				
Bills Receivable	469	20	149	20						
Expense	47	10			47	10				
Interest and Discount			99	1	32					
Exchange	2				2	67				
Shipment to F. B. Baker	620		700							
F. B. Baker	44		50							
Jas. Johnston	35	40								
A. K. Simons	12	32								
Loss and Gain			12997	67	12997	67				
Student's Net Gain					30	03				
L. M. Hay's "					30	03				
H. P. Carey's "					37	53				
Student's Net Worth..					159	68				
					159	68				
Student's Net Worth..					159	68				
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2030 03					159	68				
2070 43					159	68				
L. M. Hay's Net Worth..					159	68				
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L. M. Hay's Net Worth..					159	68				
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H. P. Carey's Net Worth..					159	68				
					159	68	</			

As the partnership has been dissolved, it is necessary for the book-keeper to close the accounts that shew *losses* or *gains*, and carry each partner's share of the net gain, or net loss, as the case may be, to his account. This being done, a Balance Sheet like that on page 116, will be given to each partner, so that he can make therefrom the proper entries in his own books. Although the form referred to is not so elaborate as might be drawn up, it contains all that is required to give a satisfactory view of the finances of the concern.

The student will, according to agreement, pay each of the retiring partners, his share of the available funds, that is, the cash on hand, and the sum deposited in the Merchants' Bank.

As the student now uses the books formerly kept by the firm, he will regard the partners' accounts as ordinary personal accounts, debiting them whenever payments are made, and crediting the account or accounts representing the value parted with.

At the expiration of the three months, the accounts of the retiring partners will be debited for enough to close them, full payment being then made.

JOINT-STOCK COMPANY.

A Joint-Stock Company is a corporation legally authorized to carry on a business or perform a work, such being within the limits prescribed by law. The capital of the company is divided into shares, and the individuals composing it are, therefore, called shareholders. The profits are divided in proportion to the number of shares held. All the business of the corporation is transacted by a Board of Directors, whose qualifications and powers are defined by the Act.

In an ordinary partnership, each member is liable to the full extent of his means for the liabilities of the firm ; but in a joint-stock company, each shareholder is liable only for the amount of his unpaid capital. This explains the meaning of the term : "Limited," which is added to the names of companies, as for example, "The Copp, Clark Co. (Limited)."

CHAPTER VIII.

SINGLE ENTRY.

When books are kept by Single Entry, only *personal accounts* appear in the Ledger. It is obvious, therefore, that the "book of accounts" will not furnish any information regarding cash, notes, &c., only in so far as the transactions affect accounts kept with other persons.

THE DAY BOOK.

This book contains entries of all transactions which affect **personal accounts** and no others. When a dealer gives a person value, without receiving equal value *at the time*, he should make the person *Dr.* When a dealer gets value from a person without giving equal value *at the time*, he should make the person *Cr.*

The form shewn on page 124 will be found very convenient: it may also be used to test the correctness of the posting. There are two money columns, the one to the left receiving the debits, and the other the credits, arising out of our dealings with persons on account. As every amount in the Dr. column must be placed to the Dr. side of the Ledger, and every amount in the Cr. column must be placed to the Cr. side, the difference between the totals of the Day Book must be equal to the difference between the sides of the Ledger.

If these do not agree the posting has not been done correctly, and the error or errors must be discovered before further progress is made.

THE CASH BOOK.

This book is fully described on page 57. As there are many cash transactions for which there is no Day Book record (that is, which do not affect personal accounts), it is absolutely necessary to keep a Cash Book. It should be tested at the close of each day's business, and balanced *formally* at least once a week. The difference between its sides should agree with the amount of cash in hand, as found by counting.*

Sometimes it is necessary to enter a transaction in both the Cash Book and the Day Book. This is the case when cash is received or paid *on account*, as all entries affecting personal accounts must appear in the Day Book, in order that they may find their way into the Ledger.

When cash is received or paid *on a note*, an entry must be made in both the Cash Book and Bill Book.

THE BILL BOOK.

In this book are entered the particulars of all notes, drafts, &c., belonging to the business. See page 58. By means of the Bill Book the amount of *other's notes on hand*, as well as that of *our notes outstanding*, can easily be determined.

* In Set I. the cash deposited in the bank is regarded as cash on hand, and must, therefore, be taken into consideration.

When a note is received or given *on account*, an entry of it must be made in both the Day Book and the Bill Book. Why?

THE INVENTORY BOOK.

This book is used to record the quantities, prices, &c., of *goods remaining unsold* at the end of a term of business.

At least once a year every prudent business man makes an estimate of the goods on hand and enters the particulars of them in a book for the purpose, called the Inventory Book. Great care should be taken to give the unsold goods the proper value, because if this were not done, the consequence would be the defeat of the ultimate object in view, viz., to know the true state of affairs.

EXPLANATIONS.

By taking the results obtained from the *Ledger*, *Cash Book*, *Bill Book*, and *Inventory Book*, a full Statement of Resources and Liabilities can be made. If the resources are greater than the liabilities, the difference represents the **Net Worth**. If, on the other hand, the liabilities are greater than the resources, the difference represents the **Net Insolvency**.

No Statement of Losses and Gains can be made, but the *Net Gain* or *Net Loss* may be ascertained, by finding the difference between the capital at *commencing* and the capital at *closing*.

It is evident, therefore, that Double Entry is the more complete of the two systems. While it furnishes information in regard to *resources and liabilities*, it shews in addition to this, how *gains and losses accrue*.

In some kinds of business it may be desirable to keep other books than those mentioned, such as Invoice Book, Sales Book, Check Book, &c.

SET I.—GROCERY AND PROVISION BUSINESS.

—, June 1, 1887.

(*Pupil's name here.*) has this day commenced the Grocery business, investing as follows: Cash in safe, \$1,150; cash in the Standard Bank, \$600; Goods in store, \$150. Chas. Wheeler owes on his note dated May 2, 1887, at 30 days, \$64; J. W. Thompson owes on acct., \$50; H. J. Clark owes on acct., \$75.

2. Bought of Jamieson & Co., on my note at 10 days, Goods as per invoice No. 1, amounting to \$200. Cash sales, \$34.50.
3. Sold H. C. Thomas, 100 lbs. Gran. Sugar at 9c.; 20 lbs. Y. H. Tea at 60c.; 30 lbs. Currants at 6c.; 12 lbs. Starch at 8c.; 110 lbs. Oatmeal at 6c.; 30 lbs. Butter at 18c., \$. Received in part payment, cash, \$10, the balance to remain on account, \$. Deposited in the Standard Bank, \$1000.* Paid Cooper & Smith, per check, \$20 for repairs. Cash sales, \$32.30.

* It is not necessary to make any entry of this. The Bank Book will show the amounts deposited and the Check Book the balance to our credit at the bank. See page 135. When a check is issued, the amount will be placed in the Cr. column of the C. B.

4. J. W. Thompson paid on account \$30, with an order on H. J. Clark, which Mr. Clark immediately pays with cash. Sold A. M. Rattenbury on his note at 10 days, 40 lbs. Almonds at 25c. ; 2 lbs. Cloves at 60c. ; 25 lbs. Pulv. Sug:r at 12c. ; 10 lbs. Blk. Pepper at 30c. ; 5 bars Soap at 25c. ; 25 lbs. Java Coffee at 40c. ; 40 lbs. Val. Raisins at 14c., \$. Chas. Wheeler remitted a draft on the Merchants' Bank in payment of his note as per B. B., \$. Paid cash for Coal Oil for use of store, \$3.50. Bought of C. A. Davis on acct., a Writing Desk for office, \$10. Cash sales, \$20.

6. Deposited in the Standard Bank, cash, \$100. Bought of Taylor & Son, Goods as per invoice No. 2, amounting to \$340. Gave in payment my check. Sold H. C. Thomas on acct., 30 lbs. Black Tea at 60c. ; 120 lbs. Sugar at 10c. ; 10 lbs. Starch at 12½c. ; 4 lbs. Nutmegs at 75c. ; 50 lbs. Rice at 5c. ; 25 lbs. Cheese at 16c., \$. Cash sales, \$30.

7. Paid cash for Advertising, \$10; for Fuel, \$2.50. Deposited in the Standard Bank, \$100. Withdrew from the business, cash, \$29. Cash sales, \$29.60.

8. Bought of Alex. Stewart, Goods as per invoice No. 3, amounting to \$400. Gave in payment my check for \$200, and my note at 20 days for balance, \$. Cash sales, 21.80.

9. Sold Lachlan MacLean, 60 lbs. Cheese at 15c. ; 45 lbs. Currants at 10c. ; 2 doz. bars Soap at \$1.50 per doz. ; 15 lbs. Japan Tea at 80c. ; 12 lbs. Y. H. Tea at 75c. ; 2 Hams (60 lbs.), at 15c. ; 3 lbs. Cloves at 60c. ; 10 lbs. Pot Barley at 5c. ; 25 lbs. Butter at 16c. ; 30 lbs. Gran. Sugar at 9c. ; 50 lbs. Brown Sugar at 7c. Received in payment his check for \$20 and his note at 2 months for balance, \$. Cash sales, \$12.50.

10. Paid C. A. Davis on acct., cash \$10. Received from H. C. Thomas on acct., an order on A. S. Murdoch, for \$30. Paid cash for Stationery and Postage, \$1.60. Cash sales, \$21.40.

11. Bought of James Cameron, Goods, as per invoice No. 4, amounting to \$160. Gave in payment my check for \$100, the balance to remain on acct. Sold W. H. Miller on acct., 30 lbs. Butter at 18c. ; 12 lbs. Sugar at 9c., \$. Cash sales, \$25.

13. Paid James Cameron's order favor of S. D. Hahn, in goods, \$25. W. H. Miller gave on acct. 2 cords Wood at \$1.75, \$. Cash sales, \$25.50.

14. Deposited in the Standard Bank, \$120. Paid for drayage, cash, \$3.40. Cash sales, \$37.20.

15. Bought of James Cameron, Goods as per invoice No. 5, amounting to \$240. Settled with him in full per check, —. Cash sales, \$29.10.

Inventory.

Mdse. unsold	\$1,055	56
Office Desk.....		9

DAY BOOK.—SET I.

—, June 1st, 1887.

Dr. Cr.

(Pupil's name here) has this day commenced the Grocery and Provision business.

(Pupil's name) Cr.....

By the following investment:

Cash in safe,	\$1150
“ in Standard Bank,	600
Mdse. on hand,	150
Chas. Wheeler's note as per B.B.	64
J. W. Thompson on a/c.,	50
H. J. Clark on a/c.,	75

2089

*J. W. Thompson Dr.....

To Balance from old a/c.....	50
------------------------------	----

“ _____

H. J. Clark Dr.....

To Balance from old a/c.....	75
------------------------------	----

“ _____

H. C. Thomas Dr.....

To 100 lbs. Gran. Sugar @ 9c.,	\$9
“ 20 “ Y. H. Tea @ 60c.,	12
“ 30 “ Currants @ 6c.,	1 80
“ 12 “ Starch @ 8c.,	.96
“ 110 “ Oatmeal @ 6c.,	6 60
“ 30 “ Butter @ 18c.,	5 40

35 76

“ Cr. _____

By Cash, in part payment	10
--------------------------------	----

“ _____

J. W. Thompson Cr.....

By Cash on a/c.....	30
---------------------	----

“ _____

C. A. Davis Cr.....

By Writing Desk for Office.....	10
---------------------------------	----

“ _____

H. C. Thomas Dr.....

To 30 lbs. Blk. Tea at 60c.,	\$18
“ 120 “ Sugar @ 10c.,	12
“ 10 “ Starch @ 12½c.,	1 25
“ 4 “ Nutmegs @ 75c.,	.3
“ 50 “ Rice @ 5c.,	2 50
“ 25 “ Cheese @ 16c.,	4 00

40 75

Amounts forward.....

201 51

2139

* This name appears in the first entry. Why has it to be repeated here?

June 7, 1887.

Dr. Cr.

	<i>Amounts brought forward</i>	201	51	2139
(Pupil's name)	<i>Dr.</i>			
	<i>To Cash Withdrawn.</i>	29		
	<i>10</i>			
C. A. Davis	<i>Dr.</i>		10	
	<i>To Cash on a/c.</i>			
	<i>"</i>			
A. S. Murdoch	<i>Dr.</i>			
	<i>To H. C. Thomas' Order on him</i>	30		
	<i>"</i>			
H. C. Thomas	<i>Cr.</i>			
	<i>By an order on A. S. Murdoch.</i>			30
	<i>11</i>			
Jas. Cameron	<i>Cr.</i>			
	<i>By Mdse. as per Invoice No. 4</i>			160
	<i>Dr.</i>			
	<i>To Check, part payment</i>	100		
	<i>"</i>			
W. H. Miller	<i>Dr.</i>			
	<i>To 30 lbs. Butter @ 18c.,</i>	5 40		
	<i>" 12 " Sugar @ 9c.,</i>	1 08		
	<i>13</i>			
Jas. Cameron	<i>Dr.</i>			
	<i>To payment of his order in mdse.</i>		25	
	<i>"</i>			
W. H. Miller	<i>Cr.</i>			
	<i>By 2 cords Wood @ 1.75</i>			3 50
	<i>15</i>			
Jas. Cameron	<i>Cr</i>			
	<i>By Mdse. as per Invoice No. 5</i>			240
	<i>Dr.</i>			
	<i>To Cash. Check on a/c.</i>	275		
		676	99	2572 50

CASH BOOK—SET I.

1887.

Cash.

Dr.

Cr.

June	1	To amount in Safe.....	1150			
		" " " Bank	600			
" " 2	" Mdse. Sales this day	34	50			
	" H. C. Thomas, on a/c.....	10				
" " 3	" By Cooper & Smith, for repairs (check)			20		
	" To Mdse. Sales this day	32	30			
" " 4	" J. W. Thompson, on a/c.....	30				
	" Chas. Wheeler's note as per B. B.	64				
" " 5	" By Expense. Coal Oil for store			3	50	
	" To Mdse. Sales this day	20				
" " 6	" Bought of Taylor & Son (check)			340		
	" To " Sales this day	30				
" " 7	By Balance.....			1607	30	
				1970	80	
June	6	To Balance brought down	1607	30		
		By Expense. Fuel, \$2.50; Advertising, \$10			12	50
" " 7	" (Pupil's name.) Amount withdrawn			29	29	
	" To Mdse. Sales this day	29	60			
" " 8	" Bought of Alex. Stewart (check)				200	
	" To " Sales this day	21	80			
" " 9	" Sold L. MacLean	20				
	" " Sales this day	12	50			
" " 10	By C. A. Davis, on a/c.....				10	
	" Expense. Postage and Stationery				1	60
" " 11	To Mdse. Sales this day	21	40			
	" " "	25				
" " 12	By Jas. Cameron on a/c (check)				100	
	To Mdse. Sales this day	25	50			
" " 13	By Balance				1410	
				1763	10	
June	13	To Balance brought down	1410			
		By Expense. Drayage			3	40
" " 14	To Mdse. Sales this day	37	20			
	" By Jas. Cameron on a/c (check)				275	
" " 15	To Mdse. Sales this day	29	10			
	By Balance				1197	90
" " 16				1476	30	
					1476	30

BOOK-KEEPING.

Bills Receivable.

Bills Receivable.

Bills Payable.

When Given.	Drawer or Acceptor.	Drawee or Indorser.	In Whose Favor.	For What Given.	Date.	When Due.		% Rate to Run.	Time to Run.	Yr.	Month	Year	Amt.	When and How Disposed of.	
						Dec.	Nov.								
1 June 2, '87	Myself.	Jamieson & Co. A. Stewart.			June 2, 1887			10 ds.	1887					200	
2 " " 8, '87					" 2, 1887			20 ds.	1887					200	

INDEX TO LEDGER.*

A

K

B

L

C

M

Clark, H. J. 129
Cameron, Jas. 130

D

N

Davis, C. A. 129

E

O

F

P

G

Q

H

R

I

S, T

Thompson, J. W. 129
Thomas, H. C. 129

J

U, V, W

LEDGER – SET I.

Dr.

(Pupil's name.)

CIT.

1887			1887			2089		
June	7	To Cash.....	29	June	1	By Sundries	2089	
"	15	" Balance*....	2100	"	15	" Gain*	40	
			2129				2129	
			—				—	

H. J. Clark.

<i>1887</i>					<i>1887</i>		
<i>June</i>	<i>1</i>	<i>To Balance.</i>		<i>75</i>	<i>June</i>	<i>15</i>	<i>By Balance*....</i>

J. W. Thompson.

<i>1887</i>					<i>1887</i>			
<i>June</i>	<i>1</i>	To (<i>Pupil</i>).....		<i>50</i>	<i>June</i>	<i>3</i>	<i>By Cash.....</i>	<i>30</i>
		,		<hr/> <i>50</i> <hr/>	"	<i>15</i>	<i>" Balance*....</i>	<i>20</i>

H. C. Thomas.

1887			1887					
June	3	To Mdse	35	76	June	3	By Cash	10
"	6	" "	40	75	"	10	" A.S. Murdoch	30
					"	15	" Balance*	36 5
			76	51				76 5

C. A. Davis.

<i>1887</i>					<i>1887</i>			
<i>June</i>	<i>10</i>	<i>To Cash.....</i>		<i>10</i>	<i>June</i>	<i>4</i>	<i>By Expense.....</i>	<i>10</i>

* Red ink.

Dr.

A. S. Murdoch.

Cr.

1887				1887			
June	10	To H. C. Thomas		June	15	By Balance*....	
			30				30

Jas. Cameron.

1887				1887			
June	11	To Cash		June	11	By Mdse.	
"	13	" "	100	"	15	" "	160
"	15	" "	25				240
			275				
			400				400

W. H. Miller.

1887				1887			
June	11	To Mdse		June	13	By Expense.....	
			6 48		15	" Balance*....	3 50
			6 48				2 98
			6 48				6 48

Ledger Balances.

PERSONAL DEBTORS.		PERSONAL CREDITORS.
H. J. Clark	75	Pupil's Balance
J. W. Thompson	20	2060
H. C. Thomas	36	
A. S. Murdoch	30	
W. H. Miller	2 98	
Total Debits	164 49	
Excess of Credits from Day Book	1895 51	
Proof of Posting	2060	Total Credits
		2060

* Red ink.

Resources and Liabilities.

RESOURCES.		LIABILITIES.
Accts. Receivable	164 49	Bills Payable.....
Bills Receivable	73 05	Pupil's Net Capital
Mdse. (Bal. Inv'y)	1055 56	
Cash	1197 90	
Office Desk	9	
	<u>2500</u> <u>00</u>	
		<u>2500</u>

Statement of Loss and Gain.

Pupil's Net Capital		2100
" " Investment		2060
Pupil's Net Gain		40

In writing up the second part of Set I., the pupil will adopt the method exemplified. He will make out the proper statements at the close. The accounts in the Ledger must be indexed.

SET I.—Continued.

June 17, 1887,—Sold J. W. Thompson on account, 20 lbs. Black Tea at 60c.; 55 lbs. Ham at 15c.; 100 lbs. Oatmeal at 6c.; 5 lbs. Starch at 10c.; $\frac{1}{2}$ lb. Nutmegs at 70c.; 20 lbs. Cheese at 15c.; 15 lbs. Raisins at 10c. \$—. Paid for advertising, \$3.70. Cash sales, \$29.60.

18. Deposited in the Standard Bank, \$120. H. J. Clark paid on account, cash, \$20. Sold Robert Cummings on his note at 10 days, 5 lbs. Tobacco at 60c.; 25 lbs. Tea at 50c.; 100 lbs. Granulated Sugar at 10c.; 50 lbs. Brown Sugar at 8c.; 3 lbs. Raisins at 10c. \$—. Cash sales, \$25.70.

20. A. S. Murdoch paid his order received on the 10th inst. with cash, \$30. W. H. Miller paid the balance of his account with wood at \$1.75 per cord. \$—. Cash sales, \$19.80.

21. Bought of Mason & Co. goods, as per Invoice No. 6, amounting to \$130. Gave in part payment my note at 2 months for \$50. Paid per check my note favor of Jamieson & Co., and interest for the time overdue at 8%. Face of note, \$200. Interest, 26c. Cash sales, \$30.25.

22. Deposited in the bank, \$50. Received cash in full payment of A.M. Rattenbury's note as per B. B. Cash sales, \$21.90.

23. Paid for a safe for office per check, \$120. Paid Mason & Co.'s order for \$50 in goods. Cash sales, \$25.70.

24. Sold A. C. Morrison on account, 3 lbs. Tea at 50c. ; 24 packages Salmon at 15c. ; 30 lbs. Granulated Sugar at 10c. \$—. Cash sales, \$22.80.

25. Received from H. C. Thomas on account, his check for \$20. Deposited in bank, \$50. Paid James C. Andrews for repairs, cash, \$3.50. Cash sales, \$41.75.

27. Sold A. H. Hardman, 40 lbs. Tea at 50c. ; 90 lbs. Brown Sugar at 7c. ; 12½ lbs. Ginger at 40c. ; 60 lbs. Ham at 14c. ; 40 lbs. Breakfast Bacon at 13c. ; 30 packages Canned Salmon at 15c. ; 25 packages Canned Mackerel at 13c. ; 100 lbs. Oatmeal at 5c. ; 12 jars Canned Fruit at 20cts; 20 bars Soap at 10c. ; 2 boxes Matches at 25c. \$—. Received in part payment his check for \$50.

28. Received from H. J. Clark an order on S. W. Hall for \$40, which Mr. Hall immediately paid with cash. A. C. Morrison paid on acct., cash \$5. Cash sales, \$30.35.

29. Deposited in bank, \$100. J. W. Thompson gave me his note at 30 days to close his account, \$—. Cash sales, \$28.70.

30. Paid clerk's hire, \$20 ; freight, \$16.40, and drayage, \$10 per check. Cash sales, \$36.90.

Inventories June 30.

Goods unsold, valued at	\$712
Safe.....	120
Office Furniture.....	9

Result.—Net Capital, \$2,065.10 ; Net Loss, \$34.90.

EXERCISE I.

March 1, 1887.—Invested in business, cash \$200.

2. Bought of J. McHardy for cash, goods invoiced at \$120.
3. Sold Thos. Smith on account, 5 bbls. Flour at \$5.
4. Paid cash for advertising, \$1.40.
5. Sold A. Brownlee for cash, 40 bush. Wheat at 80c.
7. Sold Thos. Smith on account, 20 bush. Barley at 45c.
8. Bought of A. Hilker on account, 10 bbls. Flour at \$4.50.
9. Thos Smith paid on account, cash \$10.
10. Gave A. Hilker on account, cash \$20, and my note at 10 days for balance, \$—.
11. Paid clerk's salary with cash, \$10.
Goods on hand valued at \$112.60.

(a) Transfer to the proper books as in Set I.
 (b) Prove the correctness of the Posting.
 (c) Make out a Statement of Resources and Liabilities.

EXERCISE II.

April 1, 1887.—Commenced business with cash on hand, \$200 ; mdse. in store, \$300 ; Wm. Jones' note drawn Feb. 1, at 60 days, for \$50. I owe John Barkwell on account, \$30.

2. Sold Wm. Young for cash, 10 lbs. Tea at 70c. ; 30 lbs. Gran. Sugar at 9c. Deposited in the Merchants' Bank, \$150. Paid cash for Repairs, \$4.50 ; Fuel, \$3.
4. Sold H. Corbett on his note at 10 days, 40 lbs. Raisins at 10c. ; 30 lbs. Tea at 60c. ; 20 lbs. Rice at 4c.
5. Gave John Barkwell on account, my check for \$20. Received from Wm. Jones, his check in full payment of his note due this day.
6. Sold my entire stock of goods to A. Burchill for \$290. Received in payment, cash \$100, Monroe's check for \$50, and Burchill's note at 3 mos. for the balance. \$—. Paid clerk's salary with my check, \$10.

(a) Make the proper entries of the transactions.
 (b) Prove the correctness of Posting.
 (c) Make out a Statement of Resources and Liabilities and close the accounts.
 (d) Find the loss or gain.
 (e) Shew the imperfections of Single Entry Book-keeping, by referring to the work of this exercise.

EXERCISE III.

April 11, 1887,—Commenced business with a cash capital of \$1,000. Deposited in bank, \$600.

12. Bought of S. W. Taylor for cash, goods, as per Invoice, \$300 Paid cash for Fuel, \$5 ; for Coal Oil, \$1.30.
13. Sold S. H. Mann on account, 12 lbs. Tea at 50c. ; 13 lbs. Raisins at 11c. ; 2 lbs. Ginger at 40c. ; 2 gallons Vinegar at 40c. \$—.
14. Sold Thos. Murray, 50 lbs. Tea at 45c. Received in payment, cash, \$10, and his note at 15 days for the balance. \$—.
15. S. H. Mann paid on account, cash, \$5. Gave C. D. Spooner my note at 5 days for repairing store, \$20.
16. Lost a \$5 bill.
19. Sold S. H. Mann on account, 3 bars Soap at 10c. ; 14 gallons Maple Syrup at \$1.20 ; 40 bushels Potatoes at 40c. \$—.
22. Paid boy's wages with my check, \$5.50.
23. Paid my note in favor of C. D. Spooner with cash, \$—. Goods on hand valued at \$267.17.

(a) Enter the transactions into the proper books.
 (b) Make out a statement and close.
 (c) Write the note received from Thos. Murray, and the one given to C. D. Spooner.

(?) How does a dealer find the value of the goods on hand? How often is this usually done in actual business?

(e) What is meant by balancing the Cash Book?
 (f) Why cannot the gain or loss on merchandise be found by Single Entry? Explain fully.

SET II.—SINGLE ENTRY.

Books used.—Day Book, Cash Book, Bill Book, and Ledger.

RECORD OF TRANSACTIONS—SET II.

—, March 1, 1887.

Commenced business with the following resources: Cash on hand, \$1,000; mdse. in store, \$800; N. Clarke's note of \$600 at 4 mos., dated Jan. 10, 1887. Geo. Leeds owes me on account, \$80. (The pupil must give himself credit in the Day Book for the amount he invests. An entry will be made in the Cash Book and also in the Bill Book.)

3. Sold L. S. Keith, on account, 100 yds. Flannel at 50c.; 24 Silk Neckties at 60c.; 7 yds. Tweed at \$1.20.
5. Bought of M. Mathers on account, an invoice of goods amounting to \$130. (Why is it not necessary to give the items here?)
7. Sold Geo. Leeds, 40 yds. Silk at \$1.10; 30 yds. Cotton at 10c. Received in part payment, cash, \$20. (Enter in the D. B. and C. B.)
8. Paid cash for Repairs, \$5; Coal Oil, \$1. (Enter in the C. B. Why not in the D. B.?)
10. Deposited in the Molsons Bank, cash, \$800. (If a Bank Account is kept, what entry? Shew why an account with a bank may be regarded as a personal account.)
12. Sold R. Cameron on his note at 10 days, 14 yds. Broadcloth at \$1.75; 8 yds. Farmer's Satin at 55c.; 2 doz. Collars at \$2.50. (Enter in the B. B. Why not in the D. B. or C. B.?)
14. Paid for Advertising, with cash, \$2.50.
15. Received from Geo. Leeds on account, cash \$50.
17. Bought of C. Turnbull on my note at 30 days, an Invoice of goods amounting to \$125.50.
19. Received from L. S. Keith, his check in full of account, \$—. Deposited in the Molsons Bank, \$180.
21. Sold D. M. Malloch 24 yds. Scotch Tweed at \$1.40; 65 yds. Sheeting at 14c.; 30 yds. Red Flannel at 35c.; 12 yds. Irish Linen at 40c. Received in part payment his note at 30 days for \$20. (Enter in the D. B. and B. B. Why?)
24. Paid cash for Wood, \$3.60; Express charges, \$1.25.
26. Received from Geo. Leeds an order for \$40 on S. W. Dawson, which by his request is passed to his account. (Geo. Leeds gives us value; therefore he must be credited. S. W. Dawson assumes a debt; therefore he must be debited.)
30. Paid clerk's salary with my check on the Molsons Bank, \$25. Goods on hand valued at \$893.80.

Result.—Net worth at closing, \$2,491.65; Net Gain, \$11.65.

TO CHANGE FROM SINGLE TO DOUBLE ENTRY.

In order to understand clearly how to change from Single to Double Entry, and *vice versa*, the pupil must fully comprehend the real difference between the two systems, viz., that only *personal* accounts are kept in a Single Entry Ledger, while accounts with *persons* and *things* are kept in a Double Entry Ledger. By the one system we regard persons as our debtors and creditors; by the other persons and things. The pupil will then see that in order to change from Single to Double Entry it is necessary to open a new account for every *resource* and *liability*, excepting those connected with personal accounts, these being already represented. The *balances* will be entered into the new accounts, and the *net gain* transferred to the proprietor's account, after which, if the work is correct, the Ledger will be in equilibrium.

It is customary to close the Ledger, but is not really important to do so, as the balances can all be found without closing the books. Of course they will be closed, if a new set of books is to be used after the change.

The pupil will now take all the balances from the statements on pages 130 and 131, and work the second part of Set I. by Double Entry. As he has already done it by Single Entry, he will thus see clearly the difference between the two systems.

The new accounts to be opened in this particular case are *Cash*, *Mdse.*, *Bills Receivable*, *Bills Payable*, and *Expense*.

In Set I. the cash deposited in the bank is regarded as cash on hand. As all deposits are placed by the bank officials to the credit of the depositor in the Bank Pass Book, and as the counterfoil of the last check issued shews the balance deposited, it is unnecessary labor to keep a bank account in the Ledger.

Some book-keepers make use of a Cash Book having on the Cr. side a column for *deposits*, and on the Dr. side one for the amounts of checks issued. The difference between these will of course, shew the balance to the credit of the dealer at the bank, provided the checks have all been presented and honored.

TO CHANGE FROM DOUBLE TO SINGLE ENTRY.

To change a set of books from Double to Single Entry, complete the posting and close all the accounts, excepting those kept with *persons*. If the books are closed at the time of making the change, re-open only the personal accounts. The balance of cash on hand will be carried to the Cash Book, and that of others' notes on hand, as well as of our notes outstanding, will be entered into the Bill Book.

CHAPTER IX.

BANKING.

When a person wishes to open an account with a bank, he must furnish satisfactory evidence of his honesty and trustiness in regard to business transactions. This being done, he will be required to sign his name in the proper book. The object of doing so is to enable the bank officials to test any doubtful signatures that may be attached to checks or other paper presented for payment.

Deposit Slips.—These, as well as all other necessary blanks, are furnished by the bank. The person making a deposit will fill the slip as indicated by its form, and hand it along with the money or other value deposited to the Teller. If found correct it will be initialed and passed to the Ledger-keeper, who will place the amount appearing on it to the credit of the depositor.

Bank Pass Book.—When a deposit is made the amount of it is entered into this book. At the end of every month the Pass Book should be handed over to the bank to be balanced. No entry is made in it by anyone but the proper bank official, as it is the depositor's voucher for all values given to the bank.

When a person does not wish to open an account with a bank, but deposits a sum merely for safe-keeping, he may draw a check for the amount, payable to himself, and get the banker to mark it "good." The bank is responsible for the payment of an accepted check on it. If the money is to be deposited for a considerable length of time, a certificate of deposit should be taken for it.

Check Book.—This book contains forms of checks to be filled out as they are needed. The particulars should be entered on the stub before the check itself is written. Care must be taken to enter the amounts so that no changes can be made in them. The balance deposited should always appear on the stub, as this will save trouble when making out checks. When the one who issues a check wishes it to be evidence of payment made to the person in whose favor it is drawn, it should be made payable to the *order* of such person, as he will have to indorse* the check before the bank will cash it.

If a check, on being presented within a reasonable time, is dishonored by the bank, it should be returned to the drawer, as no payment is made owing to it.

If a check is not presented for payment within a reasonable time after being received, and if it is rendered valueless on account of such neglect, the holder must bear the loss.

* The indorsement should be on the back—written crosswise. The *left-hand* side of the face is generally regarded as the *top* of the back.

In making payments with checks, it is often well to get them certified.

If payment to a person at a distance is made by check, it must be drawn so as to cover the debt and a commission of $\frac{1}{4}\%$ (banks usually charge $\frac{1}{4}\%$ for cashing checks issued by other banks). Bank drafts are largely used for making remittances. A draft for \$200 or less, generally costs 25c. and one for a sum greater than \$200, $\frac{1}{8}\%$ of its face value. If there is not a branch of the bank which issued the draft in the place where it is to be presented for payment, an allowance should be made for the commission, which will be charged by the bank cashing it.

A note discounted at a bank and returned, on account of non-payment, to the one who discounted it, should be paid at once by him,

When a person hands notes over to a bank for collection, and does not wish them to be protested in case they are not paid at maturity, he should pin to each a slip of paper bearing the following, "No Protest. Take this off before presenting." By doing this the owner may get the notes back without paying protest charges.

PRIVATE LEDGER.

The use that is made of this book is so easily understood, that it was not considered necessary to give an example of it in the former part of this work. It is simply a part of what commonly constitutes the General Ledger, and usually contains the Stock account, the Loss and Gain account, and the Merchandise account. It is employed by business men in order to avoid the inconvenience of needlessly exposing their affairs. No more work is entailed, as the accounts kept therein, although in a separate book, are treated in exactly the same way as if they were kept in the General Ledger.

PETTY CASH BOOK.

Into this book are entered small sums of cash received or paid out. At close of each day it is balanced, and the amount representing the difference between the sides is transferred to the main Cash Book. The chief object in keeping this book is to save space in the Cash Book.

PETTY LEDGER.

When persons, who are not likely to do much business, purchase on credit, it is found convenient to open accounts with them in this book. Care must be taken not to open two accounts—one in the Petty Ledger and one in the main Ledger—with any person, as such is likely to cause confusion. To avoid this, the indexing must be properly attended to.

SUNDRY DEBTORS ACCOUNT.

This is an account kept by some in which to enter transactions with persons who are likely to purchase but little. The object is to save space in the Ledger. If such persons buy on credit oftener than once, an account

should be opened with them in the regular way, and their account in the Sundry Debtors Account should be closed into the new one. If this were always adhered to, much trouble might be avoided.

HOW TO DEAL WITH BAD DEBTS.

There are various ways of dealing with bad debts. Some carry them into what is called the "Suspended List," leaving the accounts open.* The method that seems most satisfactory is to open a Bad Debts Account and charge it with all amounts which cannot be collected. Close this account into Loss and Gain. The advantage of this method is that the sum written off each time the books are closed is shewn clearly. When any of these amounts are collected, it will be necessary to hold whatever is received Dr. and make Loss and Gain Cr. If, however, any of these amounts are received while the Bad Debts account is *open*, credit must be given to *it* instead of to Loss and Gain. Any amounts collected and credited to Loss and Gain may be entered with red ink in small figures opposite the sum expressing the whole amount of bad debts when the account was closed. By doing this the actual amount lost in this way for any particular year can be seen at a glance, and the confusion of mixing the bad debts of one year with those of another is completely avoided.

CROSS ENTRIES.

Cross entries are made in order to correct errors. To shew the use of such entries, it may be best to consider a few examples.

Suppose that you gave L. Mason your check for \$100 on account and that you made the entry: †

<i>L. Mason</i>	<i>Dr.....</i>	\$100
	<i>To Cash.....</i>	\$100

This would be corrected by the cross entry:

<i>Cash</i>	<i>Dr.....</i>	\$100
	<i>To Bank</i>	\$100

It is easily seen that this produces the same final result as the proper entry, viz. :

<i>L. Mason</i>	<i>Dr.....</i>	\$100
	<i>To Bank</i>	\$100

Cash was incorrectly credited, therefore it must be debited.

(2) Suppose L. M. Hespeler paid on account his sight draft on J. Smith for \$50, which Smith honors by giving his check, and that you made the entry:

* In order to avoid embarrassment, if a person, whose account is not considered good, should wish to see it in the Ledger, the closing entry may be "By Balance," with a private mark attached, to indicate that the amount is transferred to the Bad Debts account, and not considered a resource.

† It is presumed here that a bank account is kept in the Ledger.

<i>Cash</i>	<i>Dr.</i>	<i>\$50</i>
	<i>To J. Smith</i>	<i>\$50</i>

You would correct thus :

<i>J. Smith</i>	<i>Dr.</i>	<i>\$50</i>
	<i>To L. M. Hespeler ..</i>	<i>\$50</i>

To correct an error it is sometimes necessary to make several entries of this kind, but in all cases the following rule will prove applicable :

Debit any account or accounts that have been *wrongly credited*, or that ought to have been *debited*, and credit any account or accounts that have been *wrongly debited*, or that ought to have been *credited*.

TRANSFERRING ACCOUNTS FROM AN OLD LEDGER TO A NEW ONE.

When a Ledger becomes filled, and when, in consequence, it becomes necessary to transfer the accounts therefrom to a new one, the following course may be adopted :—

1. Mark the old one "Ledger A" and the new one "Ledger B."
2. Close the first account in Ledger A, "To" or "By Balance to Ledger B," making the entry in red ink.

Open a new account in Ledger B, having the same heading as the one just closed, and make the entry "By" or "To Balance from Ledger A," in black ink.

[The closing entry in the old Ledger will, of course, be made on the smaller side of the account, and the entry in the new Ledger on the other.]

4. Index the account as soon as opened, and indicate in each Ledger the page of the other on which it appears.

5. Treat all the accounts in a similar manner.

Before proceeding to close the accounts, the equilibrium of the old Ledger must be tested. The new Ledger will be in balance when all the transfer entries are made in it.

MANUFACTURING.

When a person manufactures all the goods which he handles, he should charge Merchandise account with the total cost of them, and credit it for the proceeds of sales. If it is desirable to keep a Material account, Labor account, &c., these will be closed into the Merchandise Account before balancing the books.

In many businesses, only a part of the goods is of home manufacture. In such a case, if the dealer wishes to know his gain or loss in the articles that he manufactures, he will open in addition to the Merchandise account* one having the heading "Manufacturing," and conduct it as already indicated.

* Here the Merchandise account represents ~~only~~ the goods purchased.

PLANT ACCOUNT.

The term "Plant" in mercantile phraseology represents all implements, machinery, &c., which are used in producing the article or articles manufactured. The Plant account is held Dr. for the first cost of the plant, and Loss and Gain is held Dr. for subsequent amounts written off owing to depreciation in value.

MARKING GOODS.

When goods are received, the invoice should be checked and "marked."

A slip shewing the following should be attached to each package, &c.

- (a) The initials of the name of the person or firm from whom purchased.
- (b) The date of the invoice.
- (c) The quantity.
- (d) The cost in private characters.
- (e) The selling price in plain figures or private characters.

Any combination of ten or eleven different letters as, "Republican," "Importance," &c., will be found suitable for private marking. Suppose the word "*Nourishable*" is selected, the first ten letters taken in order representing the numerals 1, 2, 3, 4, 5, 6, 7, 8, 9, 0, respectively. The last letter may be used as a repeater. For example, an article costing \$1.44, would be marked *n r e*, and one costing \$6.90, *s b l*. The pupil will understand this better by writing the word (or phrase) and the corresponding figures thus :

n o u r i s h a b l e
1 2 3 4 5 6 7 8 9 0 repeater.

Marks which are purely arbitrary are often employed. Special characters should be chosen to denote fractions, such as $\frac{1}{2}$, $\frac{1}{3}$, $\frac{1}{4}$, &c.

By referring to the slip marked as described above, it will be seen at once for what time any article has been in stock—a very important matter.

BOOKS AS EVIDENCE IN COURT.

When a debtor disputes the claim made by a creditor, for which there is no other evidence than the entries in the books of the latter, the following must be proved before payment can be enforced :

- (a) By *whom* the entries were made.
- (b) That the books produced are kept by *him*.
- (c) That he is a *trustworthy* accountant.
- (d) That *some* of the articles charged were delivered.

[*Note*.—Books of *original entry*, and *no others*, are admitted as evidence in courts of law.]

BRANCH HOUSES.

When goods are bought for a branch house, it should be debited for their cost, and credit should be given to the persons from whom the goods were purchased, or to whatever represents the value paid for them. The invoices of such goods should be marked with red ink, so that they will not be charged to the Merchandise account like the others.

When a branch house gets goods from the store, it should be debited for the cost of them, and the Merchandise account credited. When it returns goods, it should be credited and Merchandise debited.

If at the end of a term of business a branch house reports a net gain, it will be debited for the amount and Loss and Gain credited; but if it reports a net loss, it will be credited and Loss and Gain debited.

A branch house should open an account with the principal house, giving it credit for all values received from it at the time of commencing, as well as for values subsequently received, and debiting it for all amounts remitted. At the close of a term of business, this account should be debited for the net Loss or credited for the net Gain, as the case may be.

As branch houses do not, generally speaking, pay for their own goods, but hand over their bills for settlement to the principal house, they must credit it for purchases instead of the parties from whom the goods were bought.

PARTIAL PAYMENTS.*

By **Partial Payments** we mean the payment of a debt by *portions* at different times.

In the case of a note, or other written obligation, the amount and date of each payment is usually written on the back of it. Such acknowledgments appearing on notes, &c., are termed *indorsements*.

Receipts are sometimes given when such payments are made.

The following method is the one adopted by business men for computing interest when a debt is paid by parts. (This method should be adhered to as it is recognized by the courts of law.)

(a) *Reckon the interest on the principal from the commencement to the time of the first payment.*

(b) *If the payment is greater than the interest accrued, deduct the sum plus from the principal, and regard the remainder as the new principal, proceeding as before.*

(c) † *If the payment is less than the interest due, the interest will be reckoned on the principal as if no payment had been made, until such time*

* As this subject and the one following it are dealt with in the text-books on Arithmetic, it is deemed unnecessary to discuss them fully here. The student will work out carefully the exercises on them in the books referred to.

† If the student will look into the matter he will see that it would be very unfair to increase the principal, as the debtor would be paying more interest than if he retained the amount paid in his own possession.

as the payments taken together are equal to, or greater than, the accrued interest. The surplus will then be deducted from the principal and the remainder regarded as the new principal.

By examining carefully the foregoing, the student can deduce :

- (1) That payment must first be applied to the discharge of the *interest*.
- (2) That a new principal cannot *exceed* a previous one.
- (3) That a debtor who pays an amount *less than the interest due*, gets nothing for the use of his money until the sum of the payments is sufficiently large to cover the interest and give a surplus to be applied to the payment of the debt itself.

EXAMPLE.

PORT ELGIN, July 4, 1887.

\$500.

Fifteen months after date, I promise to pay W. P. Spalding, or order, Five Hundred Dollars, for value received, with interest at 6%.

WM. SWEETMAN.

On this note are the following indorsements :

Received Sept. 15, 1887, \$50.	Received Apr. 21, 1888, \$100.
Received Feb. 10, 1888, \$10.	Received July 3, 1888, \$70.

How much will pay the note on the 30th Oct., 1888.

SOLUTION.

1st Principal	\$500
Int. on \$500 from July 4, 1887, to Sept. 15, 1887	6
<hr/>	
Amount.....	506
1st Payment.....	50
<hr/>	
2nd Principal	456
Int. on \$456 from Sept. 15, 1887, to Feb. 10, 1888, \$11.00, which exceeds the payment.	
Int. on \$456 from Sept. 15, 1887, to Apr. 21, 1888.....	16 42
<hr/>	
Amount.....	472 42
2nd and 3rd Payments	110
<hr/>	
3rd Principal	362 42
Int. on \$362.42 from Apr. 21, 1888, to July 3, 1888	4 35
<hr/>	
Amount.....	366 77
4th Payment	70
<hr/>	
4th Principal	296 77
Int. on \$296.77 from July 3, 1888, to Oct. 30, 1888	5 81
<hr/>	
Amount.....	302 58

Therefore, \$302.58 is the sum that will discharge the debt on the 30th Oct., 1888.

AVERAGING ACCOUNTS.

To average an account is to find the time at which several debts due at different dates may be paid in one amount without loss of interest to either debtor or creditor.

The time found by averaging is termed the **Equated Time**.

There are several methods of finding the equated time in use; but they are all based upon the assumption that the interest of the sum paid *before it becomes due* is equivalent to the interest of an equal sum withheld for the same length of time *after it becomes due*.

The student who has a knowledge of the principles underlying the methods of computing the true present worth of a sum due at some future date will readily see that the foregoing assumption is not mathematically correct; in actual business, however, it is found very convenient to adopt it as a basis, the resulting error being so small as to offer no serious objection.

SIMPLE AVERAGE.

Simple Average in the process of finding the equated time when an account consists of only debits or credits.

The following method of averaging an account is the one commonly used:—

(a) *Select as the fixed date the earliest on which an amount falls due.*

[Any date may be taken to count from, but the earliest or latest is chosen for the sake of convenience.]

(b) *Find the time between the fixed date and that upon which each amount is payable, and multiply it by the number expressing such time.*

(c) *Divide the sum of the products by the total amount of the debt and the quotient will give the number of days between the fixed date and equated time.*

EXAMPLE.

ROBERT CURRY, Esq.

To JAMES SHIELDS, Dr.

1887.							
Jan.	17	To Mdse			100		
"	31	" "			50		
Feb.	22	" "			150		
Mar.	18	" "			260		

Find the equated time.

OPERATION.

Take Jan. 17 as the first date.

From Jan. 17 to Jan. 31, there are 14 days.

" " " to Feb. 22, " " 36 "

" " " to Mar. 18, " " 60 "

$$100 \times 0 =$$

$$50 \times 14 = 700$$

$$150 \times 36 = 5400$$

$$260 \times 60 = 15600$$

560

) 21700 (38 $\frac{3}{4}$ *

Therefore the whole amount may be paid 39 days from Jan. 17; that is, on the 25th Feb.

COMPOUND AVERAGE.

Compound average is the process of finding the time when the balance of an account consisting of debits and credits should be paid. Various methods of finding the equated time for the payment of the balance of an account are employed. The following one is simple and practical:—

(a) Find the EQUATED TIME for EACH SIDE of the account separately.

(b) Multiply the amount due on that side of the account which falls due FIRST, by the number of days between the dates of the equated time, and divide the product by the balance of the account; the quotient will give the number of days between the LATER DATE and the equated time required.

(c) If the smaller side falls due FIRST, count FORWARD from the LATER DATE; if the large side falls due FIRST, count BACKWARD.

EXAMPLE.

Dr.	<i>Robert Fullerton.</i>				Cr.
1887				1887	
Jan. 3 To Mdse	100	Feb. 17 By Cash			60
Feb. 28 " ""	50	Mar. 15 " ""			70

OPERATION.

$$\begin{array}{r} 100 \times 00 \\ 50 \times 56 = 2800 \\ \hline 150 \end{array}$$

) 2800 (19

$$\begin{array}{r} 60 \times 00 \\ 70 \times 26 = 1820 \\ \hline 130 \end{array}$$

) 1820 (14

19 ds. from Jan. 3 gives Jan. 22 as the equated time for the Dr. side.

14 ds. from Feb. 17 gives Mar. 3 as the equated time for the Cr. side.

* In such a case, if the fraction is less than $\frac{1}{2}$ it is not counted; if greater, it is taken as unity.

$$\begin{array}{rcl} 150 \times 40 & = & 6000 \\ \text{Balance} & = & 20 \\ \text{and } \frac{6000}{20} & = & 300 \end{array}$$

Therefore the equated time is found by counting 300 days *backward* from Mar. 3, as the larger side falls due first. Equated time, May 7, 1886.

CHAPTER X.

CORRESPONDENCE.

Now-a-days in almost any position in life it is considered a very desirable accomplishment to be able to communicate thought to others in clear, forcible, and elegant language. For the person leading a commercial life, it is certainly a most important qualification to possess the ability to write a good business letter. No doubt it takes considerable time and study to acquire proficiency in letter-writing; indeed, nothing short of a good general education will enable one under all circumstances to give expression to his ideas in the most suitable terms. Although this is the case, it is not to be inferred that a person who has had but a limited training cannot become fairly good at correspondence; in fact, he may excel in certain departments of it by giving these special attention.

A Letter is a written communication addressed by the person signing it to some other person. It should consist of the following parts:—1, Date; 2, Address; 3, Salutation; 4, Body; 5, Subscription; 6, Superscription.

The **Date** indicates the place and time of writing. It should appear on the right-hand side, and at least one inch from the top of the page. In the case of a note of invitation it is customary to place the date at the bottom and to the left.

The **Address** is the name of the person (or firm) to whom the communication is sent together with that of his residence or place of business. In letters of friendship the address is sometimes placed at the bottom and to the left, but in business letters it is usually placed a little below the date and to the left, beginning at the margin.

The **Salutation** consists of the introductory words of courtesy which precede the body of the letter, and which are placed to the left usually beginning at the margin.

The **Body** of a letter consists of the sentences or paragraphs which express what the writer wishes to communicate. It generally begins on the line below the salutation, and some distance from the margin. There should be a paragraph for every subject introduced, the first line of which should begin from half an inch to an inch to the right of the margin.

The **Subscription** consists of the complimentary words placed at the bottom of a letter, and the signature of the writer, all of which should be towards the right.

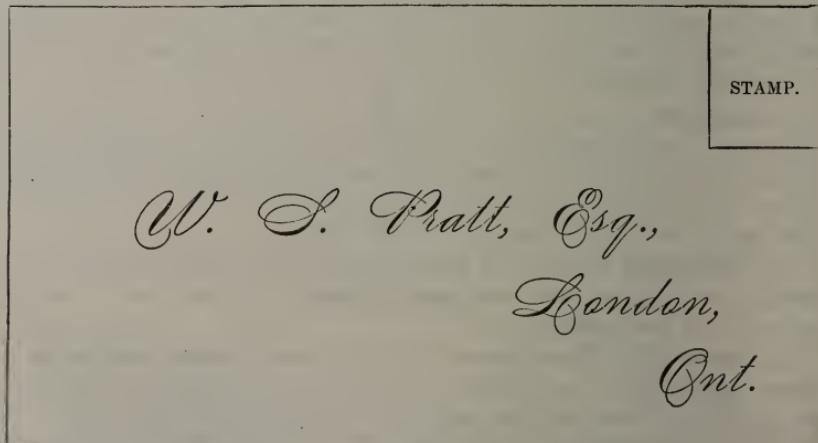
The **Superscription** is the full address of the person to whom the communication is sent, written on the envelope. See below.

Letters are so varied in their character that it is impossible to lay down rules applicable in all cases. The following, however, may prove helpful:

- (a) Write *neatly* and *plainly*.
- (b) Be careful in regard to *spelling*, *punctuation*, and the *arrangement* of the different parts.
- (c) Use as *few words* as possible (especially in a business letter) to make clear the meaning.
- (d) Avoid *slang phrases* and *ungrammatical expressions*.
- (e) Read the letter and, if necessary, take a *copy* of it before enclosing it in the envelope.
- (f) See that the envelope is *properly directed* and *stamped*. (See diagram below.)
- (g) Avoid *postscripts* as far as possible.
- (h) Reply *promptly* to a communication.
- (i) Never seal a *letter of introduction*.
- (j) Letters containing important information given *confidentially* should be marked "*Private*," on both the upper left hand corner of the envelope, and of the first page of the letter.
- (k) In replying to an advertisement, mention the name and the number of the paper in which it appeared.

In the exercises of this chapter the pupil will, as far as he can, avoid using the same language as that found in the forms given, so that each communication he writes may afford some practice in composition.

Diagram Shewing Superscription.



*W. S. Pratt, Esq.,
London,
Ont.*

Letter of Introduction.

MESSRS. IVISON & PRATT,
Toronto, Ont.

CLINTON, May 11, 1887.

GENTLEMEN,—

Permit me to introduce to you my friend, Mr. A. S. Taylor, an enterprising and successful merchant of this town, who goes to your city tomorrow to purchase goods. I shall be happy to acknowledge as a favor to myself any assistance that you may be able to give him.

Yours respectfully,

JOHN CAMERON.

In addition to the ordinary superscription place the expression, "*Introducing A. S. Taylor, Esq., Clinton,*" near the bottom of the envelope and to the left.

Never introduce one unworthy of confidence.

Do not accept a letter of introduction from an unreliable person.

Do not introduce parties unless the acquaintance thus formed is likely to be agreeable, or advantageous to both.

Letter of Introduction Incurring Liability.

MESSRS. IVISON & PRATT,
Toronto, Ont.

CLINTON, May 11, 1887.

GENTLEMEN,—

Allow me to introduce the bearer, Mr. A. S. Taylor, a merchant of this town. You may consider me responsible for goods that he may buy from you, to the amount of five hundred dollars.

Yours respectfully,

JOHN CAMERON.

Such letters as the foregoing, involving pecuniary interests, should be given only to responsible parties. Great care should be exercised in this.

EXERCISE I.

On the 30th of June, 1887, A. S. Taylor failed. Resources, \$7,000; Liabilities, \$9,000. Ivison & Pratt's account against him is \$900. Write their letter to John Cameron.

Requesting to have an Account Opened and Ordering Goods.

WOODSTOCK, June 10, 1887

MESSRS. SALLOWS & Co.,
Montreal, P.Q.

GENTLEMEN,—

Having opened a boot and shoe store in this town, I desire to open an account with you.

For information in regard to my standing financially, I beg leave to refer you to D. C. McMurchy of your city.

If you decide favorably, please forward immediately by express—

120 prs. Men's Buff Bals.,

100 " " Gaiters.

120 " Women's French Kid Bals.

Yours truly,

JAMES DOTY.

Reply to the Foregoing.

MONTREAL, June 14, 1887.

MR. JAMES DOTY,

Woodstock, Ont.

DEAR SIR,—

Yours of the 10th instant at hand, for which favor please accept our thanks.

Having referred to Mr. McMurchy as to your standing, &c., we take pleasure in placing your name on our list of customers.

Enclosed you will find Invoice of Goods shipped this morning, as per your order.

Very respectfully,

SALLOWS & CO.

EXERCISE II.

Write a letter from Sallows & Co. to Doty, refusing to send him goods on credit, and assigning reasons.

Order for Goods.

PORT ELGIN, May 12, 1887.

MESSRS. GILROY & JOHNSON,

Hamilton, Ont.

GENTLEMEN,—

Please forward by express the following goods :

2 Half Chests Oolong Tea,

3 Bags Rio Coffee.

Draw on us at 30 days' sight, and oblige,

Yours truly,

KENNEDY & MCKAY.

In filling out an order care must be taken to write plainly and give all the distinguishing marks, &c. Inattention to this is often followed by serious inconvenience.

Reply to the foregoing.

HAMILTON, May 14, 1887.

MESSRS. KENNEDY & MCKAY,
Port Elgin, Ont.

GENTLEMEN,—

Enclosed please find Invoice and Bill of Lading of Goods shipped to you this day, as per your order of the 12th inst., which goods we hope will prove satisfactory.

At your request we send draft at 30 days' sight. Please accept the same and remit at your earliest convenience. Soliciting your further orders, we remain,

Yours truly,

GILROY & JOHNSON.

As soon as convenient after the receipt of goods, they should be examined to see whether they agree with the invoice or not. If found correct the invoice should be "marked" and the proper entries made in the books. If not, the house supplying the goods should be notified of the error at once. See page 48.

EXERCISE III.

Write a letter to your employer asking for an increase of salary, stating reasons.

Letter Acknowledging Receipt of Goods.

MESSRS. FRASER & MUNRO,
Montreal, Que.

OTTAWA, Sept. 16, 1887.

GENTLEMEN,—

Yours of the 14th inst., advising me of shipment of goods, came to hand yesterday.

The goods have arrived to-day in excellent condition, and I am well satisfied with them.

Yours respectfully,

G. M. BATES.

Letter Complaining of an Error in a Bill.

A. S. LAWRENCE,
Hamilton, Ont.

OWEN SOUND, Jan. 22, 1887.

DEAR SIR,—

In your bill of the 15th inst., I am charged with 2 Bags Rio Coffee, which I neither ordered nor received. Kindly make the necessary correction and return the bill, which I enclose herewith.

Very truly yours,

EDWARD GRAHAM.

EXERCISE IV.

Write Lawrence's reply and also Graham's acknowledgment of the correction made.

Letter Enclosing Payment for Goods.

MESSRS. PRATT & Co.,
Oshawa, Ont,
GENTLEMEN,—

BROCKVILLE, Aug. 8, 1887.

Enclosed find a draft for \$130, the amount of your bill of the 5th inst.
Please receipt the bill which I send herewith, and return it to

Yours &c.,
A. ROBINSON.

Payments should be made on the very day agreed upon. If that is not possible, a communication explaining the matter must be sent promptly to the creditor. Thoroughly trained business men "never put off till to-morrow what should be done to-day."

Letter Enclosing a Remittance.

JOHN FISHER, Esq.,
Emerson, Man.

DEAR SIR,—

WINNIPEG, May 12, 1887.

Herewith I send a draft on Harrison & Wilson, of your town, for \$35.40, to close my account. Please send a receipt in full of all demands to date, and oblige,

Your obedient servant,
ALEX. ROSS.

Letter Requesting a Remittance.

GEORGE C. LEEDS, Esq.,
Grimsby, Ont.

DEAR SIR,—

ST. CATHARINES, June 1, 1887.

We desire to call your attention to the enclosed statement of account shewing a balance in our favor of \$140.50.

By remitting the amount at your earliest possible convenience, you will oblige,

Yours respectfully,
PHELPS & ORR.

EXERCISE V.

Write Leeds' reply if he finds that the statement does not agree with his own books.

Reply.

MESSRS. PHELPS & ORR,
St. Catharines, Ont.

GENTLEMEN,—

Yours of the 1st inst. requesting a settlement of account, to hand. I am sorry that I cannot remit before the 10th inst. If you will not press the matter until that date, you will greatly oblige.

Yours truly,

GEO. C. LEEDS.

EXERCISE VI.

1. Write a letter to Wm. Taylor, Hamilton, requesting a statement of account.
2. Write Taylor's reply enclosing statement.
3. Write a letter to Wm. Taylor enclosing a draft for the amount due him.
4. Write Taylor's acknowledgment of the remittance.

Requesting Payment.

JOSEPH EMERSON, Esq.,
Southampton, Ont.

DEAR SIR,—

As we have several large payments to make on the first day of June, we are reluctantly compelled to ask you to settle your account (as per enclosed statement) in the meantime. By attending to the matter you will greatly oblige,

Yours respectfully,

ADAMSON & CO.

To neglect replying at once to a letter like the foregoing is almost sure to lead to unpleasantness.

Urgently Requesting Payment.

JOSEPH EMERSON, Esq.,
Southampton, Ont.

DEAR SIR,—

Permit us to call your attention to our letter of the 20th ult., asking you to settle your account, which is long past due.

By remitting immediately you will save costs, and oblige,

Yours, &c.,

ADAMSON & CO.

GRIMSBY, June 3, 1887.

Notice of Draft.

CLINTON, MAY 24, 1887.

MESSRS. TAYLOR & Co.,
St. Catharines, Ont.

GENTLEMEN,—

We have this day drawn on you in favor of A. S. Embury at 30 days' sight, for \$120. Please honor and oblige,

Yours very truly,

MANNING & SCOTT.

Notice of a Dishonored Note.

GALT, July 11, 1887.

H. C. CAMERON, Esq.,
Paris, Ont.

DEAR SIR,—

Having presented for payment, James Callan's note for \$100, indorsed by you, he stated he could not pay it. I shall, therefore, reluctantly be obliged to look to you for payment. By attending to the matter immediately you will oblige,

Yours respectfully,

J. P. KEOWEN.

Application for a Situation as Book-keeper.

CLINTON, June 17, 1887.

J. C. RICHARDSON, Esq.,
Walkerton, Ont.

DEAR SIR,—

In reply to your advertisement in the *Globe* of to-day, for a book-keeper, I beg leave to offer you my services.

Just after taking a thorough course at the Clinton High School four years ago, in commercial work, I became assistant book-keeper for Miller & Gregory, of this town, continuing in their employ ever since. Please find enclosed their testimonial as to my character, ability, &c.

If I am successful in this application, I shall enter upon my duties determined to discharge them faithfully.

Your obedient servant,

L. M. HAY.

Application for a Situation as Teacher

PAISLEY, May 12, 1887.

JAS. H. SCOTT, Esq.,
 Sec. P. S. B.,
 Summerside, Ont.

DEAR SIR,—

In reply to your advertisement in the *Daily Mail* of to-day I hereby respectfully offer myself as a candidate for the vacancy in your school.

I hold a First-Class Professional Teacher's Certificate (Grade C, and I have five years' experience, as is shewn by the enclosed testimonials, to which I beg leave to refer you.

Should I be honored with the appointment, I shall take charge with both the determination and confidence that my services will prove satisfactory to all concerned.

I have the honor to be,

Your obedient servant,

PETER CRAMWELL.

EXERCISE VII.

Write a letter to the headmaster of the school you have been attending, requesting him to give you a recommendation.

Recommending a Teacher.

MILLBANK, June 15, 1887.

TO WHOM IT MAY CONCERN,—

This certifies that Mr. C. H. Cann taught as principal of the public school here for four years, and that during that time he proved himself an earnest, painstaking, and successful teacher.

Mr. Cann is a gentlemen whose character is above reproach, and he is thoroughly devoted to his profession. I have therefore much pleasure in recommending him as a first-class teacher, who will always have the moral as well as the mental interests of his pupils at heart.

J. S. SIMPSON,
 Chairman P. S. B.
 Millbank, Ont.

Calling a Business Meeting.

KINCARDINE, June 23, 1887.

JAMES MILLER, Esq.,

DEAR SIR,—

There will be a special meeting of the High School Board held in the Council Chamber, at 8 o'clock to-night. You are respectfully requested to attend.

Yours truly,

A. M. SHIELDS,

Sec. H. S. B.

Note of Invitation.

Miss Maggie McGregor requests the pleasure of Mr. William Young's company next Tuesday evening at eight o'clock.

28 Welland Ave., June 9.

Answer (Accepting).

Mr. William Young presents his compliments to Miss Maggie McGregor, and has much pleasure in accepting her kind invitation for next Tuesday evening.

204 St. Paul St., June 10.

Answer (Declining).

Mr. William Young presents his compliments to Miss Maggie McGregor, and deeply regrets that, owing to a previous engagement, he cannot accept her kind invitation for next Tuesday evening.

204 St. Paul St., June 10.

EXERCISE VIII.

Write a note of invitation to a birthday party.

Give a reply accepting the invitation, and one declining it.

EXERCISE IX.

Arnoldus Thomas is a dry goods merchant in the town of Walkerton. Write for him a circular to his customers announcing the arrival of his spring goods.

EXERCISE X.

Answer one of the following advertisements :

"WANTED.—A young girl as saleswoman and assistant book-keeper in a millinery establishment. Address, giving testimonials and full particulars as to age, education, experience, &c., Mrs. H. A. MacLean, Eskdale, Ont."

"WANTED.—In a law office, a boy about 15 years of age, who is a fair penman. Applications, stating particulars, to be addressed to Robinson & Son, Walkerton."

EXERCISE XI.

Write a letter to a friend in Winnipeg, telling him that you have some notion of locating there, and stating the amount of capital you wish to invest, the line of business you propose to pursue, &c. Ask him for such information as may help you to decide upon what to do.

EXERCISE XII.

Write an advertisement under the heading, "Store to Rent."

EXERCISE XIII.

B. A. Young, of Manchester, telegraphs to Muir & Co., of Toronto, requesting them to send at once, by express, 80 packages Canned Salmon, and to draw on him at ten days. Write the telegram, which must not consist of more than ten words.

EXERCISE XIV.

You have sold your farm for \$5,000, receiving in payment \$2,000 cash, and a mortgage bearing interest at 6% for \$3,000. Write a telegram not exceeding ten words, to Lachlan MacLean, Gresham, informing him of all the particulars.

EXERCISE XV.

Write an advertisement under the heading, "Farm for Sale."

CHAPTER XI.

ABBREVIATIONS.

Acct., Account.	Esq., Esquire.	P., Page.
Acc'nt., Accountant.	Exp., Expenses.	P.C.B., Petty Cash Book.
Adv., Adventure.	Feb., February.	Pcs., Pieces.
Agt., Agent.	Fir., Firkin.	Pd., Paid.
Amt., Amount.	F.O.b., Free on Board.	Per., By.
Ans., Answer.	Fol., Folio.	P.B., Pass Book.
Ap., April.	Fw'd, Forward.	Pkg., Package.
Aug., August.	For., Foreign.	P.O., Post Office.
Av., Average.	Fri., Friday.	Pol., Policy.
Bal., Balance.	Ft., Freight.	Prem., Premium.
B.B., Bill Book.	Gal., Gallon.	Prox., Next Month.
Bbl., Barrel.	Gen. L., General Ledger.	Pts., Pints.
Bk., Bank.	Guin., Guinea.	Qr., Quarter.
B.P., Bills Payable.	Hdkf., Handkerchief.	Qt., Quart.
B.R., Bills Receivable.	Hhd., Hogshead.	R.B., Receipt Book.
Bl'k, Black.	Hund., Hundred.	Rec'd, Received.
Bot., Bought.	I.B., Invoice Book.	Rec'pt, Receipt.
Brot., Brought.	i.e., That is.	Reg., Register.
Cap., Capital.	Inst., instant.	Rep., Representation.
C.B., Cash Book.	Int. Interest.	Ro., Right-hand Page.
C.D., Certificate of Deposit.	Inv., Invoice.	R.R., Railroad.
Clk., Clerk.	Invty., Inventory.	Sat., Saturday.
Chgd., Charged.	J., Journal.	S.B., Sales Book.
Co., Company.	Jan., January.	Sec., Secretary.
C.C., Account Current.	J.F., Journal Folio.	Shipt., Shipment.
C.O.D., Collect on Delivery.	Lbs., Pounds.	Sq., Square.
Com., Commission.	L.B., Letter Book.	St., Street.
Consgt., Consignment.	L.F., Ledger Folio.	Stg., Sterling.
Cts., Cents.	L. & G., Loss and Gain.	Sunds., Sundries.
Cwt., Hundredweight.	M., Thousand.	T.B., Trial Balance.
D., Pence.	Mar., March.	Thurs., Thursday.
D or d, Day.	Mem., Memorandum.	Ult., Last Month.
D.B., Day Book.	Mft'g, Manufacturing.	Viz., Namely.
Dec., December.	Mo., Month.	W.B., Way Bill.
Dft., Draft.	N.B., Take Notice.	Wed., Wednesday.
Dis., Discount.	No., Number.	Wt., Weight.
Div., Dividend.	Nov., November.	Yds., Yards.
Do., The Same.	Oct., October.	Yr., Year.
Dols. or \$, Dollars.	O.B., Order Book.	@, at.
Doz., Dozen.	O.I.B., Outward Invoice B'k.	%, Per Cent.
E. & O. E., Errors and Omissions Excepted.	Oz., Ounce.	✓, Check Mark.
Ea., Each.		
Ext'd, Extend.		
Exch., Exchange.		

MERCANTILE TERMS DEFINED.

ACCEPTANCE—The assent of the person on whom a bill is drawn to pay it when due. The accepted bill.

ACCOMMODATION—A loan of money. A draft accepted or a note indorsed merely to oblige another, without valuable consideration.

ACCOUNT CURRENT—A statement of the transactions between two parties, shewing the condition of affairs at the *current* time.

ACCOUNT PURCHASE—A formal written statement rendered by an agent to his principal, shewing the cost of goods purchased, as well as all expenses and charges connected therewith.

ACCOUNT SALES—A written statement of goods sold on commission, shewing quantities, prices, &c., as well as all charges on the same.

ADVENTURE—A term representing goods sent to be sold on commission.

AD VALOREM—According to value.

ADVICE—Information regarding a business matter.

AGENT—One who has power to transact business for another.

ANNUITY—Value payable at the expiration of certain periods of time. An annuity may be payable yearly, half-yearly, quarterly, &c.

ASSESSMENT—The valuation of the property of those who are to pay a tax, for the purpose of fixing the proportion which each shall pay.

ASSETS—All values belonging to a person, firm, or corporation.

ASSIGNEE—A person appointed by another to perform some business. One to whom an assignment is made.

ASSIGNMENT—The transfer of the property of a bankrupt to another in whom it is vested for the benefit of creditors.

ASSIGNOR—One who transfers an interest to another.

ATTACHMENT—A seizure of goods by virtue of legal process.

AUDIT—To examine accounts and testify to their correctness.

AVERAGING AN ACCOUNT—Finding the time at which the balance of an account may be paid, so that neither party concerned may suffer loss.

BALANCE—The difference between the sides of an account. To close an account.

BALANCE OF TRADE—The difference between exports and imports of one country with respect to another.

BALANCE SHEET—A statement in Tabulated form, shewing fully the condition of a business.

BANK BILL—A promissory note issued by a bank, payable to bearer on demand, and circulated as money.

BANK BOOK—A small book held by the depositor, into which deposits are entered by the bank officials, as they are made. At stated times it is handed over to the bank accountant to be balanced. This being done, it and the voucher are returned.

BANKRUPT—Unable to pay debts.

BARTER—To exchange one commodity for another.

BILL—A detailed statement of goods bought or sold.

BILL OF ENTRY—A written statement of goods entered at a custom house.

BILL OF EXCHANGE—An order issued in one country for the payment of money in another.

BILL OF LADING—A written statement signed by the master of a vessel acknowledging the receipt of goods on board, and agreeing, under certain conditions, to deliver them safe to the person to whom they are directed.

BILL OF SALE—A contract under seal, by which a person conveys his title to property.

BLANK CREDIT—Permission to draw on a person or firm to a specified amount.

BOND—A written obligation under seal to pay a sum or perform a contract.

BONDED GOODS—Goods left in charge of the officers of customs, for the duties on which bonds are given at the custom house.

BONDED WAREHOUSE—A warehouse in which goods are kept for security of the duties chargeable on them.

BOTTOMRY BOND—A lien on a vessel as security for money lent to the owner, the understanding being that if the vessel is lost on the voyage, the money will not be refunded.

BROKER—One who buys and sells property for others.

BROKERAGE—The percentage paid to a broker for his services.

CAPITAL—The effects invested in any business.

CARGO—The goods or wares conveyed in a ship.

CASH DISCOUNT—An allowance made for payment within a specified time, or for payment of ready money.

CERTIFIED CHECK—An order on a bank, which is marked "good" by the cashier, the bank being thus made responsible for its payment.

CERTIFICATE OF DEPOSIT—A receipt given by a banker to a depositor as his voucher for value deposited.

CHARTER PARTY—An agreement between the owner of a vessel and the person to whom she is chartered.

CHATTELS—Movable property.

CHATTEL NOTE—One payable otherwise than in money.

CHECK—An order on a bank. (See page 52.)

CIRCULAR LETTER—A printed sheet issued by a house for a special purpose, such as notifying customers of the arrival of goods, etc.

CIRCULATING MEDIUM—Whatever passes as money; such as, bank notes, bank drafts payable on demand, etc.

CLEARANCE—A certificate from a custom house that a vessel has permission to sail.

COCKET—A custom house certificate that goods have been duly entered.

COMMERCIAL PAPER—Promissory notes, drafts, bills of exchange, checks, &c.
All paper which can be transferred from one to another as value.

COMMISSION—An allowance to an agent for services rendered.

COMPOSITION—The act of discharging a debt by paying a part of it.

COMPROMISE—To settle a dispute by mutual concession.

CONSIGNEE—One to whom goods are sent to be sold for another. One to whom a ship's cargo is directed.

CONSIGNMENT—Goods received to be sold on commission.

CONSIGNOR—One who consigns goods to another.

CONTRABAND TRADE—The exporting or importing of goods illegally. Trade prohibited by law.

CORPORATION—A society legally authorized to transact business as an individual.

COUNTERMAND—A revocation of a former order. Sometimes termed “counter-order.”

COUPON—One of the certificates of interest attached to a bond. Every time that interest falls due, one will be taken off and presented for payment.

CREDIT—To trust. To place to the credit side of an account. The side of an account which shews the amount due the person or thing represented.

CREDIT NOTE—An acknowledgment of an error in regard to goods shipped to another.

CREDITOR—One who has given value to another without receiving payment for it.

CURRENCY—That which passes in a country as money.

CURRENT PRICE—The ordinary price at the time referred to.

CUSTOM HOUSE—The place where goods are entered and the duties upon them collected.

DAYS OF GRACE—The time allowed for the payment of a note or bill after it becomes nominally due. In Canada there are three days of grace given, *i.e.*, a bill becomes due on the third day after the time expressed in it has expired.

DEBENTURE—A document issued by a company or municipality as security for money borrowed.

DEBIT—The side of an acct. shewing indebtedness. To make an entry on the Dr. side.

DEBTOR—One who owes another.

DISCOUNT—An allowance made for the payment of a debt before it becomes due.

DISHONOR—To refuse to accept a draft or pay an acceptance, note or check.

DIVIDEND—The share paid to a creditor of a bankrupt. The interest paid to the owners of bank stock, etc.

DOCUMENT—A writing containing information, evidence or directions.

DRAFT—A written order for the payment of money addressed by one person to another.

DRAWEE—The person on whom the draft is drawn.

DRAWER—The one who draws on another.

DUBIOUS PAPER—Paper issued by a person or firm whose financial standing is not considered good.

DUTY—Money paid to the Government of a country on goods imported or exported.

EFFECTS—All values belonging to a concern.

EMBARGO—A restraint imposed by the public authorities of a country on vessels to prevent their sailing to or from its ports.

ENDORSE—To write one's name on the back of a bill. To become responsible for the payment of a bill. (See page 50.)

EXCISE—A tax levied on commodities produced within a country.

EXCHANGE—The method of settling debts by means of bills, when the debtors and creditors live in different countries.

FAC SIMILE—An exact copy.

FINANCES—The income or effects of a firm or individual.

FIRM—The name under which an association is known, in the transacting of business.

FIRST-RATE PAPER—Bills, notes, checks, etc., issued by a house of good financial standing.

FLAT—Dull.

FOLIO—The left and right hand pages of an account book, when both are numbered by the same figure.

FORECLOSE—When applied to a mortgage means to deprive the mortgagor of the right of redemption.

FOREIGN BILL OF EXCHANGE—A bill payable in a different country from the one in which it is made.

FREE TRADE—Commerce carried on between two countries without being restricted by customs or duties.

FREIGHT—The sum charged for the transportation of goods.

GARNISHEE—A person who holds value belonging to a second, and who has received warning or *garnishment* not to pay or deliver it, owing to a claim made by a third person (the primary creditor) against the second (the primary debtor).

GOOD WILL—The advantage or benefit which is acquired by an establishment beyond the value of its capital, in consequence of the public patronage it receives.

GUARANTEE—An undertaking to answer for the payment of a debt, or the performance of some duty in case of the failure of another liable for such.

HONOR—As applied to drafts and notes means to accept, or pay when due.

HYPOTHECATE—To give as security for the payment of money without giving actual possession.

IMPOST—A rate imposed.

INDIVIDUAL NOTE—A promissory note signed by only one person.

INSOLVENT—Having a greater amount of liabilities than of resources.

INSTALMENT—A part of a debt to be paid at a stated time.

INSURANCE—The sum paid for insuring property or life.

INTEREST—A sum paid for the use of money.

INVENTORY—A statement of goods on hand.

INVOICE—A list of goods purchased.

LEASE—A contract by which the possession of property is given for a stated time.

LEGACY—Money or property allowed by a will or testament.

LETTER OF ATTORNEY—A writing by which one person authorizes another to transact business for him.

LETTER OF CREDIT—A letter requesting the person addressed to credit another whose name is mentioned in it, with a certain amount.

LETTER OF LICENSE—An instrument by which creditors allow a debtor, who has failed, to conduct his business without interference.

LIABILITIES—Debts or claims against a person or firm.

LIEN—A legal claim. A charge upon property for the satisfaction of a debt.

LIQUIDATION—The settlement of a debt.

MANIFEST—An invoice or list of the cargo of a ship, with the marks, number, and description, of each article or package, to be exhibited at the Custom House.

MATURITY—The time at which a bill becomes due.

MERCHANDISE—A general term denoting commodities bought or sold.

MORTGAGE—The conveyance of an estate to a creditor, for the security of a debt upon condition that the claim thus given becomes void on payment of the debt.

MORTGAGEE—A person to whom a mortgage is given.

MORTGAGOR—One who gives a mortgage.

NEGOTIABLE—Transferable from one to another.

NET PROCEEDS—That amount which remains after deducting all charges.

NET WEIGHT—The weight after making all allowances.

NON-CLAIM—The failure to make a claim within the time limited by law.

NOTARY PUBLIC—An officer authorized to attest contracts or writings of any kind. His duties chiefly relate to instruments used in commercial transactions such as protests of negotiable paper, &c.

NOTE—To record on the back of a bill a refusal of acceptance. A written promise to pay in money. (See Promissory Note.)

OBLIGATION—That which legally binds a person to perform a duty.

ORDER—A written request or demand for the payment of money or the delivery of goods.

OPEN POLICY OF INSURANCE—A policy upon which the amounts of the property insured are extended from time to time.

PAR OF EXCHANGE—The equivalence of a certain amount of the currency of one country in the currency of another.

PARTIAL PAYMENTS—Payment of a debt by parts at different times.

PARTNERSHIP—The union of two or more persons for the purpose of transacting business, the profits to be shared by each.

PAYEE—The one to whom a bill is payable.

PER CENT. (%)—By the hundred.

PERSONAL ACCOUNT—An account kept with a person, firm, or corporation.

POLICY—An instrument containing the conditions or terms on which one party agrees to indemnify another against loss.

POSTING—Transferring to the ledger.

POWER OF ATTORNEY—An instrument legally authorizing one person to transact business for another.

PREMIUM—The amount paid by the insured to the insurer. Value above nominal price.

PRIVATE ACCOUNT—An account kept with the proprietor in which to enter all amounts taken out of the business for private use.

PROMISSORY NOTE—A written promise to pay unconditionally a certain sum of money at a specified time.

PROTEST—A declaration in writing made by a notary public on behalf of the holder of a bill or note, that all parties to it will be held responsible for any losses sustained on account of its non-acceptance or non-payment.

REAL ACCOUNT—One which shews (generally) a resource or liability, by the difference between its sides. Cash, Bills Rec., Bills Pay., are examples of Real accounts.

REBATE—An amount thrown off the regular price.

RECEIPT—An acknowledgment in writing of having received a sum of money or other valuable consideration.

REMITTANCE—Value sent from one to another.

RENEWAL OF A BILL—The issuing of a new bill at the expiration of the term of another, so as to give an extension of time for payment.

REPRESENTATIVE ACCOUNT—One to which a particular title is given, so that the property belonging to it can be distinguished from other property of the same kind. Shipment, consignment, storage, insurance, &c., are examples.

RESOURCES—All financial values, either in a dealer's possession or owing to him by others.

SALVAGE—A compensation for saving or preserving a ship or her cargo from loss.

SET OF EXCHANGE—A number of bills of the same date and tenor. When one is paid the others are void, so that, in reality, the whole constitute but *one* bill. (See Bill of Exchange.)

SHIPMENT—Goods sent to an agent to be sold on commission.

SIGNATURE—The name of a person signed by himself.

SINKING FUND—A sum of money set apart for the payment of a debt when it becomes due.

SOLVENT—Able to pay all debts.

SPECULATIVE ACCOUNTS—Those kept with property for the purpose of shewing a loss or gain, such as merchandise, bank stock, real estate, &c.

SPOT CASH—Money paid at the time the transaction takes place.

STAPLE GOODS—The principal commodities produced in a country. Articles which are always in demand.

STOCK—The whole amount of goods on hand. As a ledger title, "Stock" represents the name of the proprietor.

STORAGE—The amount received for keeping goods in a warehouse.

SURETY—One who binds himself to perform a duty for another, if the latter should fail to perform it.

TARE—An allowance made on the gross weight of an article for the weight of the chest, bag, etc., containing such article.

TARIFF—A list of duties or customs to be paid on goods imported or exported.

TELLER—An officer of a bank who counts over money received, and pays out money on checks.

TRADE DISCOUNT—An allowance of so much per cent. on the invoice price made to dealers by wholesale houses.

TRANSFER—The legal conveyance of value from one to another.

UNDERWRITER—One who insures property.

USURY—Exorbitant interest.

VOUCHER—A book, paper, or document which serves to confirm the correctness of an account or statement.

EXAMINATION PAPERS.

THIRD AND SECOND CLASS, 1885.

1. What is meant by : Assets ? Bonded Goods ? Debenture ? Good Will ? Lien ? Mortgage ? Power of Attorney ? Staple Goods ? Usury ? Voucher ?
2. (a) Briefly state the essential requisites of a Promissory Note.
 (b) Brown gives Black his note at 4 mos. from to-day for \$150, negotiable and payable at bank. Write the note, dating it from Toronto.
3. Journalize :
 - (a) Commenced business with cash \$1,000, merchandise \$1,000, notes against sundry persons \$500.
 - (b) Bought of John Jones for cash, tallow worth \$160, and immediately sold it for \$140.
 - (c) The Dominion Bank has discounted my note against Harris for \$1,000 ; discount \$17.50, cash received \$982.50.
 - (d) Sold my house and lot to Green for \$2,500. Received in payment cash \$1,000, merchandise \$500 ; balance to remain on account.
 - (e) Consigned to Henry & Co., Montreal, goods to be sold on my account, invoiced \$645. Paid freight on same in cash \$36.50, and gave my note for insurance on do. \$19.35.
4. Classify the foregoing accounts according as they are "Resources and Liabilities," or "Losses and Gains."
5. Post all the items in No. 3.
6. State the object, and briefly describe the process, of closing the Ledger.

THIRD CLASS, 1886.

1. What are the advantages of Double Entry compared with Single Entry ? How would you change Single Entry into Double Entry Books ?

2.	Trial Balance.	Dr.	Cr.
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Stock	\$ 881 00	\$5000 00	
Bills Receivable	1500 00	1000 00	
Cash	5794 67	4800 00	
Merchandise (Amount unsold \$1,200)	3500 00	2759 50	
Bills Payable	1500 00	1750 00	
John Mason	300 00	175 00	
Peter Smith	4000 00	1500 00	
Robert Pendergast		384 00	
Charles Ryan		483 00	
Expense	375 83		
	\$17851 50	\$17851 50	

- (a) Make out (from the foregoing) a statement of Losses and Gains.
- (b) Make out (from the foregoing) a statement of Resources and Liabilities.
- (c) Explain the terms : Stock, Bills Receivable, Expense.

3. Journalize :

- (a) Bought a quantity of Broadcloth in company with John Smith, \$250 ; paid cash for my half, \$125.
- (b) Commenced business with cash, \$1,000 ; notes against sundry persons \$500.
- (c) Thomas Jones has made a draft on me at 30 days, which I have accepted, for \$140.

4. Post the entries in No. 3.

5. What is a Bill of Exchange ? What are its chief legal requisites ?

6. Name and describe the books that are admitted as evidence in Courts of Justice, and state the facts that must be proved to entitle a person's books to be received in evidence.

COMMERCIAL COURSE—SECOND CLASS, 1886.

1. (a) What is meant by negotiable paper ? What does it embrace ?
(b) State the nature of Bonds, Mortgages, Debentures, power of Attorney.
2. What are the original parties to a Draft called ?
(a) Brown of Toronto gives Smith a Draft on Green of Hamilton, for \$500 payable at sight. Write the Draft.
(b) The Draft has been returned to Brown as protested for non-acceptance. Explain this expression.
3. Journalize in full :
(a) Borrowed from Bank \$500 for 2 months ; gave in payment note for the amount, with interest at 7% per annum.
(b) White & Co., who owe us a balance of \$1975, have compromised with their creditors at 75 cents on the dollar ; we have received that proportion of their indebtedness in cash.
(c) Wm. Jones, against whom we hold a note for \$300, on which has accumulated \$17 interest, has permitted the note to go to protest, we paying the protest fees \$1.75, in cash.
(d) We have compromised with Wm. Jones for the note and interest above mentioned, receiving, in full payment therefor, in cash, $33\frac{1}{3}$ % of the face of the note.
(e) Discounted for Robertson & Co., their note for \$3000 @ 90 days ; discount off at 8%.
4. Post the items (c) and (d) in No. 3, using properly ruled spaces.
5. State the object and briefly describe the process of closing the Ledger.
6. State the chief provisions of a Partnership Contract. Name at least three ways by which a partnership may be dissolved. If a salary is allowed one of the partners, by whom is it paid ?
7. Johnson's account on our Ledger stands as follows :

DEBIT SIDE.

April 1, 1885, Mdse. at 3 mos., \$375 ; May 17, 1885, Mdse. at 4 mos., \$600.

CREDIT SIDE.

July 1, 1885, Cash, \$200 ; July 15, 1885, Cash \$100.

Shew by equation when the balance of this account is due,—giving full work.

8. Write the following documents :

- (a) An advertisement applying for a situation as accountant.
- (b) A circular to your customers announcing removal of business to more commodious quarters, and inviting them to visit you.
- (c) A telegram not exceeding ten words to be sent to Brown & Co., Montreal, ordering that firm to send you by express four cases of gaiter boots, and to draw on you at 10 days' sight.

SECOND CLASS, 1886.

NOTE.—The value of the Writing will be estimated from the work as a whole, and from the work on No. 4 in particular; and 40 marks additional will be allowed as a maximum in Writing.

1. State what is meant in the language of Book-keeping by the terms : Assignment, Balance of Trade, Concern, Embargo, Hypothecate, Liquidate, Letter of Credit, Protest, Tariff.

2. Of what does a business transaction consist ? In a strictly cash business what accounts only are necessary ?

3. Journalize :

- (a) I lost \$20.00 : paid for advertising loss \$1.00 ; paid finder for returning me the money \$1.50.
- (b) Dunne buys from me : 10 Hhds. N. O. Molasses 625 gals. @ 40c. ; 29 Hf. Ch. Ool. Tea, 1000 lbs. @ 50c. ; 17 bags Rio Coffee, 1500 lbs. at 16c. He pays \$500 in cash, gives his note for \$300, and pays the balance by an order on Thompson, which Thompson accepts.
- (c) Dunne pays his note before maturity, and I allow him a discount of \$4.00.

4. Referring to No. 3 :

- (a) Write the Advertisement, the Note and the Order.
- (b) Make out Dunne's bill of goods in proper form, and use it as a specimen of your method of folding and filing business papers.
- (c) Write as for Ledger use, the titles of the different accounts named in No. 3.
- (d) Write a letter of introduction incurring liability.

5. What are the different senses in which the expression "Discounting a Note" may be taken ? Name the principal parties to a Promissory Note and state their respective obligations.

6. Give Day Book entries for the following :

(a) Merchandise Dr.....	\$1000
To Bills Payable	\$600
" Cash,"	40c

(b) Cash Dr.....		\$1018
To Bills Receivable		\$1000
" Interest		18
(c) Loss and Gain Dr.....	\$150	
Cash, "	100	
To Bills Receivable		\$250

7. Give the principal means of detecting errors in posting. Briefly state how you would correct errors in the Day Book, Journal and Ledger, respectively.

8. In balancing his books what facts must the merchant take into consideration in order to obtain a just view of the state of his affairs?

THIRD CLASS, 1887.

NOTE.—80 per cent. of the Book-keeping and Writing to constitute a full paper.

1. "The Gazette Printing Company (Limited)." Briefly explain.
2. I commenced business with a capital of \$800. At the end of three months my books exhibit as follows :—Cash on hand \$356.28 ; James Henry Dr. \$325, Cr. \$140 ; Peter Dodds Cr. \$28.40 ; Wm. Hicks Dr. \$175, Cr. \$250 ; goods on hand worth \$500. Make out in proper form a statement shewing my present worth and my net gain or loss.
3. What is meant by Taking Stock? Negotiable Paper? Days of Grace? Staple Goods? Tariff? Business Transaction? Blank Credit?
4. You are living in Montreal and acting as agent for W. P. Stirt of Hamilton, who sends you 1500 bbls. flour to sell on his account and risk. You dispose of the flour as follows : June 10, 1880, Sold Andrew Wiley, on his note @ 30 days, 500 bbls. at \$6.75 ; June 15, sold Peter Curphy, for cash, 500 bbls. @ \$6.50 ; June 20, Sold John T. Radigan, for cash, 500 bbls. @ \$6.45. You paid charges : May 1st, Freight and cartage \$1275 ; storage and insurance, \$57.30 ; your own commission \$246.25. Make out an Account Sales from above data, and write a letter, to accompany the same, to your employer.

5. Derive the Day Book entries from the following Ledger Account :—

Dr.	Merchandise.				Cr.				
1886.			\$	c.	1886.			\$	c.
Feb. 1 To Robt. Johnson. 9	800	00	Feb. 5 By Bills Receivable 6	150	00				
" 15 " Cash..... 12	350	00	" 9 " Geo. King 8	275	00				
			" 12 " Cash 9	400	00				

6. (a) Write out in full the following draft :

St. Catharines, May 12, 1887 ; Amount, \$500 ; Payee, Richard Jepson ; Time, at Sight ; Drawer, Yourself ; Drawee, Wm. Tremlett, Toronto.

(b) You have just commenced business in the Boot and Shoe line. Write a circular letter intended for public distribution.

7. Journalize :

(a) Bought of Zealand & Co., on credit, 400 lbs. lard @ 13c., 140 lbs. Soap @ 7c., and 1000 lbs. of pork at 10c.

(b) Sold Sharp and Swift, on their note @ 60 days, 2100 lbs. sugar @ 6c., and 540 lbs. tea @ 55c.
 (c) Renewed Sharp & Swift's note for 3 months, charging them \$5 interest for that time.
 8. Post *a* and *b* items of No. 7.

SECOND CLASS, 1887.

NOTE.—75 per cent. of the value of this paper counts 100 marks—the maximum.

1. What is a Promissory Note? Draw a Note (non-negotiable) in favor of C. D. due in three months, signed A. B., and dated February 28th, 1887. What advantage would A. B. gain by dating the Note March 1st?
2. "Ontario Bank Dr. to Cash \$100." Fully explain.
3. Journalize :
 - (a) Lost by fire merchandise to the value of \$200
 - (b) Received for petty sales \$45.75.
 - (c) Paid Clerk's salary for 3 mos. \$150.
 - (d) Sold Hoffs & Co. my house worth \$2,500 ; received in payment their note for \$1,000, cash \$1,000, balance charged to their account.
 - (e) The Standard Bank discounts Hoffs & Co.'s note in my favor ; net proceeds \$980.
4. Post all the items in No. 3.
5. Smith and Jones form a partnership for one year. Smith furnishes the capital and Jones gives his time to the business ; gains and losses to be divided equally. Smith invests \$10,000 and during the year withdraws \$2,000 ; Jones withdraws \$1,500. At the close of the year they have : Cash \$3,000, Personal Accounts \$1,500, Merchandise \$10,000, Notes \$1,750. They owe. Notes \$2,000, Personal Accounts \$3,000.

Make out a statement in proper form showing the gain and loss, and each partner's capital at closing.

6. (a) Write an advertisement under the heading "Book-Keeper Wanted."
 (b) Write a letter to your employer asking more wages (giving reasons).
 (c) Write a receipted grocery bill for, say eight items.
7. (a) Briefly indicate the means that book-keepers take in order to readily trace a transaction from one book to the other.
 (b) State how the following accounts are balanced : Mdse., Expense, Loss and Gain, Stock.
 (c) Describe your method of making out a Trial Balance.
8. Explain : Assets, Blank Credit, Legal Tender, Lien, Protest, Staple Goods, Tariff, Usury, Joint-Stock Company.

COMMERCIAL COURSE—SECOND CLASS, 1887.

NOTE.—75 per cent. of the value of this paper counts 100 marks—the maximum.

1. What is meant by "Balance of Trade?" When the balance of trade is against a city, how can it be settled ?

2. Make out a Balance Sheet in complete form from the following data :

	<i>Trial Balance.</i>	<i>Dr.</i>	<i>Cr.</i>
Cash	\$7159 00	\$ 1415 20	
Bills Receivable	4500 00	1500 00	
Merchandise	8150 25	12110 70	
Bills Payable	2500 00	3000 00	
Wm. Simple	175 00		
Real Estate	4000 00	3575 00	
John Murphy	1290 00	490 00	
Peter Brown		500 00	
Henry Johnson	600 00	1000 00	
Expense	216 65		
Stock		5000 00	

3. A owes B \$100, and promises in writing to pay the debt in wheat at 80c. a bushel, to be delivered within 30 days at B's residence. Write the document. What name would you give it? Is it negotiable? Reason.

4. Journalize :

- (a) Paid, per check on Bank of Hamilton, Brown & Co.'s draft on us for \$1500.
- (b) Received cash in full for T. Bowld's note in our favor; face value, \$1700; interest on same, \$2.64.
- (c) John Hardy, our agent, has sent us an Account Sales for merchandise disposed of by him to the amount of \$1200, with cash for same, and we pay him his commission, $2\frac{1}{2}$ per cent. on this amount.
- (d) Error discovered in charging Duncan & Co. with flour sold to G. Passmore, \$100.
- (e) Received from Thomson, for sale on joint account and risk, goods valued at \$840: paid freight on same \$100, storage \$60.
- (f) McNeil & Co. renew for you half the amount of a note for \$500, due to-day. You pay \$250 cash, and give them a new note for remainder, with interest, \$3.50. Give McNeil & Co.'s entry.

5. Post the items in *a*, *b* and *d*, using properly ruled spaces.

- 6. (a) Write a letter to Jones and Brown, Kingston, acknowledging receipt of shipment of wheat from them, and referring to the condition of the market.
- (b) You have commenced business as a Real Estate Agent. Write an appropriate advertisement.

FORM II.—THIRD CLASS.

CLINTON HIGH SCHOOL, June, 1887.

1. What is meant by Day Book? What is necessary to constitute a proper Day Book entry?

2. Define Trial Balance. Explain fully its use. Distinguish between Trial Balance and Balance Sheet.

3. Explain the terms: Inventory, Blank Credit, Garnishee, Lien, Chattel Note, Debenture and Consignment.

4. What accounts must be closed at the end of a term of business? Why?

5. What are the advantages of Double Entry over Single Entry?

6. Give rules for journalizing Drafts. What is the Drawer's entry when he draws a Sight Draft payable to himself.

7. What is a partnership business? Show how the opening entries are made in such a business, and also how the gains and losses are disposed of.

8. Journalize:

(a) Sold Mason from White's Consignment No. 1, goods valued at \$1000. Received in part payment Jones' draft on Taylor for \$100, due in 60 days, at a discount of 6% per annum, and Smith's check for \$500.

(b) Hodgson returned \$15 worth of goods, for which we gave him our check on the Bank of Commerce.

(c) Lost a \$10 bill. Paid for advertising it cash 25c. The finder returned the money and we gave him 50c. reward.

(d) At the request of Baker we added to his consignment 400 bushels of wheat, which we purchased from Miller at 85c., on a commission of 2%, giving in full payment our Note due 1 year hence at a discount of 6%.

(e) Write the Note given to Miller.

9. You owe W. W. Baker, Hamilton, on account \$640, a statement of which he has sent you. Write a letter to him, enclosing a draft for \$400, and asking for an extension of time for the balance.

FORM III.—SECOND CLASS.

CLINTON HIGH SCHOOL, June, 1887.

1. Explain the following: Voucher, Lease, Mortgage, Protest, Staple Goods, Tariff, C. O. D., Fol. and Ult.

2. John Smith owes James Taylor \$149. Smith fails and makes an assignment, his resources being \$9,000, and his liabilities \$21,000. Write Taylor's receipt on receiving a check on the Bank of Montreal for his share. In what case would it not be necessary to give a receipt?

3. Journalize:

(a) Bought of H. Corbett, a House and Lot for \$700. Gave in payment goods from A. D. Burwash's Consigt. No. 1, \$100; my check on Bank of Commerce for \$200, and my note at 30 days for balance.

(b) Discounted at bank, M. L. McPherson's note for \$400, due 30 days hence, at 6%.

(c) Prepaid my note for \$500, held by J. C. Armstrong; time to run, 73 ds.; rate, 6%. Proceeds paid with H. A. Park's sight draft for \$150 and my check on the Molsons Bank.

(d) Renewed for six months, my note in favor of John Pace for \$300, with interest at 8%.

4. L. P. Howell is a dry goods merchant in Aldgate.
 (a) Write his letter to Muir & Co., London, enclosing order for his spring goods, and asking them to draw on him at 30 days' sight.
 (b) Write Howell's circular, announcing the arrival of the goods.
 (c) Write the draft and accept it for Howell.

5. Describe the process of closing the Ledger.

6. Fill out the Balance and Loss and Gain accounts from the following :

	<i>Trial Balance.</i>	<i>Dr.</i>	<i>Cr.</i>
Proprietor	37		7584
Cash	6182	39	3280 30
Bank	1987	36	1000
Merchandise (unsold, \$3600)	5792		2915
Bills Receivable	1763	40	1192
Bills Payable	29	60	342 80
Interest and Discount	62	75	45 97
Expense (office furniture on hand, \$35)	102	36	
R. C. Monroe	300		1300
A. B. Ross			1066 52
Loss and Gain	63	45	12 30
Real Estate (unsold, \$2500)	4826	70	2408 12

FORM III.—COMMERCIAL COURSE.

CLINTON HIGH SCHOOL, June, 1887.

1. Explain the terms : Shipment Co., Mdse. Co., Account Sales, Manifest, Protest, Power of Attorney, Coupon, Tariff and Blank Credit.

2. State the advantages of a special column journal. Rule a form that you would recommend for a retail boot and shoe business.

3. If at the time of closing your books there should be a number of open consignment accounts, how would you proceed to close them ? Explain fully.

4. Give examples illustrating your methods of making entries in the following cases :
 (a) Discounting Notes.
 (b) Renewing Notes.
 (c) Shipping goods for sale on joint account.

5. What are the requisites of a Promissory Note ? What is meant by Indorsing a Note ? Shew three different forms of Indorsement, and state the effect of each.

6. Make out a Balance Sheet from the following :

	<i>Trial Balance.</i>	<i>Dr.</i>	<i>Cr.</i>
Proprietor	8 50	8409	42
Merchandise	3300	981	
Manufacturing	2508 95	340	
Cash	1800 72	804	40
Bills Receivable	510	125	
Bills Payable		1340	
A. S. Taylor	18 50	27	
R. R. Wells	13 60	22	
Kenneth McKenzie	80	43	60
Bank	2735 05	311	50
Tools and Machinery	1408		
Loss and Gain	1 13	3	48
Expense	22 95		
INVENTORIES.			
Merchandise	\$3000		
Manufacturing (Material)	2500		
Tools and Machinery	1300		

7. (A) H. K. Bell has placed in my store for sale on joint account 400 bbls. Flour at \$5.

(B) Bought of L. M. Peirce on my Note at 30 days 500 bbls. Flour at \$6, for the joint account of H. K. Bell and myself. Paid freight in cash \$25.

(C) Sold Wm. Symington the whole of the Flour belonging to my joint account with H. K. Bell at \$7. Received in payment my own Note for \$1100, Brown's Note at 60 days for \$1000, McKay's acceptance due in 30 days for \$2000, and a check on the Merchants' Bank for balance.

(D) Rendered H. K. Bell an Account Sales. My Commission for buying and selling is 2%. Charges for storage, &c., \$30.

(E) Remitted my check on Molsons Bank to settle in full with Bell.

(a) Give my Journal entries.

(b) Write the communication to H. K. Bell on adding the goods to the Co. sales.

(c) Make out the Account Sales in proper form.

(d) Give H. K. Bell's Journal entries.

PRÉCIS-WRITING

AND

INDEXING.

PRÉCIS-WRITING.

CHAPTER I.

INTRODUCTORY.

Even those who have only a limited acquaintance with literature can readily see that some authors are more profuse in their use of language than others. One writer is obscure on account of his verbosity, the ideas to be conveyed being partially hidden among a multiplicity of words; while another lacks clearness, owing to his extreme brevity. It follows, therefore, that although some passages might be improved, others would be impaired by contraction. The student must not suppose, then, that he is here called upon merely to *correct* sentences or paragraphs by abridging them. Indeed when there is composition of a high order, the probability is that the very best abstract of it will want the force and beauty of the original. The object of this chapter is to present some of the ways in which language may be *abridged*.

To abridge or summarize a piece of composition is to express its meaning in fewer words than are contained in the original. The length of the summary as compared with the passage summarized will depend on a variety of circumstances, one or two of which may be mentioned. As some make use of a superabundance of words to express their ideas while others state them briefly, it is evident that there will be considerable disparity in regard to the extent to which the compositions of different writers can be reduced. Again the degree of condensation will depend largely on the character of the required abridgment. In one case it may be desirable to convey the meaning of the original in full or nearly so; in another, nothing more than the leading points may be required. Hence it is difficult to lay down rules for abridgment that will be applicable in all cases; or, to say how much reduction ought to be made.

The following general directions may help to guide the student:

- (a) Read the passage carefully, with a view to comprehend its meaning as a whole.
- (b) Read a second time, underlining the clauses which contain the important ideas.
- (c) Write short sentences expressing the main points to be brought out in the summary.
- (d) Combine these sentences in connected and readable form, taking care to arrange them in such a manner that the general impression made by reading the summary will be the same as that made by reading the original.
- (e) Make use of as few words as possible to express the meaning clearly.

As the highest degree of brevity attainable without sacrificing completeness and perspicuity is desired we shall endeavor to shew in a general way how this may be secured. Abridgment may be effected as follows :

- (1) By using a word instead of a phrase.
- (2) By using a word or phrase instead of a clause.
- (3) By removing tautology, periphrases, &c.
- (4) By removing ornament.
- (5) By omitting what is unimportant.

[NOTE.—The student will remember that one of the chief sources of brevity is the employment of words which are comprehensive in meaning.]

PHRASES.

A phrase may often be replaced by a shorter one or by a word.

“At the present time it is impossible for me to go.”

The phrase, *at the present time*, may be replaced by the adverb *now*. The sentence can therefore be put in the form : “It is impossible for me to go now.”

It can be condensed further by reconstruction without much change of meaning : “I cannot go now.”

“The works of Shakspeare are read by everybody.”

Instead of *the works of Shakspeare*, we may substitute, *Shakspeare*, and by using the active voice, instead of the passive, we eliminate the words *are* and *by*. The sentence will then be : “Everybody reads Shakspeare.”

NOTE.—The student is expected to study carefully the examples which follow. Whenever an alteration in the shade of meaning occurs, it should be pointed out—a very important matter in learning to summarize.

EXAMPLES.

1. He lives in this place.
2. He was in reality an excellent performer on the piano.
3. The man performs his duties at all times with faithfulness.
4. I considered the matter at that time.
5. He appeared to be a person identified with the agricultural interests.
6. At the end of the year the teacher was made the recipient of a handsome recognition of his services.
7. All my efforts in the direction of studying mathematics proved ineffectual.
8. More work could be done at that time than can be done at present.
1. He lives here.
3. He was really an excellent pianist.
3. The man always performs his duties faithfully.
4. I considered the matter then.
5. He appeared to be a farmer.
6. At the end of the year a handsome present was given to the teacher.
7. All my efforts to study mathematics failed.
8. More work could be done than can be done now.

EXERCISES.

1. In what place and at what time shall I meet you.
2. The fruit of the gooseberry was very much thought of in those days.
3. He is a messenger sent by the king.

4. The minister's sermons were highly appreciated by the people under his charge.

5. The reports made by correspondents of the Bureau, at the beginning of November, showed that the crop had at that time a very promising appearance in every part of the Province.

6. The statement testifies to the fact that our soil is suitable for the production of cereals.

7. The barn buildings are log, but exceptionally good of that sort, being made of large, solid cedar logs.

8. He delayed from time to time, till opportunity came to an end.

9. That person availed himself of every opportunity of raising his brother in the estimation of the people of the vicinity.

10. Your application will be of no avail, as you are beyond the maximum age.

CLAUSES.

A clause frequently takes the place of a noun, adjective or adverb. Such a clause may sometimes be replaced by a word or phrase.

"He had a longing for a sight of the country in which he was born."

Instead of the adjectival clause, *in which he was born*, we may use the adjective, *native*. Also, instead of, *had a longing for a sight of*, we may say *longed to see*. The sentence then becomes : "He longed to see his native country."

"Because I was not with him at the work, he did not attend to it properly."

My absence may here be used instead of, *because I was not with him*; and the remainder of the sentence may be replaced by, *caused him to neglect it*. Then the sentence will read : "My absence from the work caused him to neglect it."

The context might be such as to permit of still further abridgment, thus : "My absence caused him to neglect the work."

EXAMPLES.

1. He did not let us know what his mind is in regard to the matter.

2. Boys who are attentive to their studies generally succeed at examinations.

3. We should be well satisfied where we are.

4. That the story is worthy of being believed has never been affirmed.

5. Men who have wisdom and virtue are nobler than men who have wealth.

6. They acted in that strange manner that they might have notoriety.

7. The Pharisees did all their religious works that they might be seen of men.

8. Those who live in a country should endeavour by every means to have its laws carried out.

1. He did not let us know his mind on the matter.

2. Studious boys generally succeed at examinations.

3. We should be well satisfied here.

4. The credibility of the story has never been affirmed.

5. Wise and virtuous men are nobler than wealthy men.

6. They acted strangely to be notorious.

7. The Pharisees did all their religious works ostentatiously.

8. The citizens of a country should try to enforce its laws.

EXERCISES.

1. Where is the man that can do his work better than I ?
2. It was greatly in his favor that he was honest.
3. For some time I have known of the fact that he was away from home.
4. The fable of the dog in the manger, with which every one is familiar, illustrates the character of many men of the present age.
5. I could not consider favorably what you proposed.
6. I certainly do not place a low estimate on a work which has been so valuable to our race.
7. I found that through trap-doors, which lay concealed in the bridge, the passengers were dropping into the tide, which flowed underneath it.
8. Every man who thinks for himself listens with amazement to his views which are absurd in the extreme.
9. Are these the doctrines which were inculcated by Mahommed ?
10. Every concession which was tended to satisfy the demands which they justly made, was opposed by the party that held the reins of Government.

REMOVAL OF VERBOSITY, &c.

Verbosity is a superabundance of language to express what is intended.

The use of too many words generally causes weakness. The remedy for verbose composition is to reconstruct the whole, using terser language. Verbosity, when not carried to excess, is allowable in some cases on account of the effect produced. "The one who gave me birth, nursed me, and tenderly cared for me during my earlier years has been snatched from me by the hand of Death," conveys the same *idea* as: "My mother has died," but produces a different *effect*.

Tautology is a repetition of the same idea in different words.

Tautology is always considered a defect, except when the idea is emphasized by the repetition. "God is eternal, and His existence is without beginning and without end," is expressed by: "God is eternal," the latter part conveying no new idea.

Pleonasm is the use of words which add nothing to the sense.

In the sentence: "They returned back again," the words "back again" add nothing to the meaning; they may, therefore, be eliminated.

Circumlocution or periphrasis is a round-about form of expression.

The sentence: "At no period of the world's history has there appeared a more remarkable genius than the 'Bard of Avon,'" is periphrastic. It may be written thus: "There never appeared a more remarkable genius than Shakspere."

EXAMPLES.

1. The man said that the book-keeper who kept the books of the firm had absconded.
2. They need constant care all the time.
3. The captain told us all about what he experienced when he was on the Sandwich Islands.
4. Such general intelligence and extensive information in so young a person have frequently filled us with wonder and astonishment.
1. The man said that the book-keeper of the firm had absconded.
2. They need constant care.
3. The captain told us his experience of the Sandwich Islands.
4. Such extensive general intelligence in so young a person has frequently astonished us.

5. The author of the Waverley novels was not only remarkable for his talent; he was equally remarkable for his industry.

6. If men of eminence receive reproaches which they do not deserve, they likewise receive praises which are not due to them.

7. The employer paid off the men who were working for him.

5. Sir Walter Scott was as remarkable for industry as for talent.

6. Eminent men are both praised and reproached unjustly.

7. The employer paid off his workmen.

EXERCISES.

1. He performed his ablutions and immediately proceeded to partake of some refreshments.

2. A newsmonger of this kind is the very pest of the neighbourhood where he may have pitched his tent.

3. It was a momentary impulse, acted upon without premeditation or forethought.

4. Ferrard calculated that when once the irrevocable step had been taken, a reconciliation with her father and a handsome dowry would be a matter of only a few weeks, and that the plebeian alliance, gilded with the auctioneer's gold, would be condoned by his family, and would even cause him to be received by them with open arms.

5. It is with the most unfeigned and heartfelt gratitude that I appear before this enlightened and intelligent audience, to thank them, as I do, for their kind and generous sympathy.

6. There are a good many hobbies for teaching language to deaf mutes upon which zealous and well-meaning enthusiasts ride, but we have found that no cast-iron rules can be formulated for the guidance of instructors.

7. This practice not only familiarizes them with correct forms of expression, but it also creates a desire for reading newspapers and other periodicals whereby their knowledge may be widened.

8. Another grievance I have to ventilate here has reference to the removal of pupils from school for a year or two, and the returning of them again in a generally demoralized condition.

9. In spite of the efforts of numerous opponents of vaccination in late years so persistently made, particularly in England, for the discouragement of the practice, no unprejudiced person having an acquaintance with the literature of the subject can reasonably doubt the efficacy and value of this precautionary measure.

10. From time almost immemorial, men in the East, professing unusual piety, have thought it meritorious to renounce the enjoyment of temporal comforts and the ties of domestic and social relationships, and to live in poverty and solitude for the purpose of turning their thoughts altogether towards spiritual matters.

REMOVAL OF ORNAMENT.

When figurative or ornate language is *appropriately* used, it is almost impossible to abridge it without either altering, to some extent, the meaning, or impairing the rhetorical effect of the original. Although this is the case, the

import of the passage as a whole can generally be expressed with sufficient clearness to serve all useful purposes. Indeed, it seldom happens that the reduction of a piece of composition of this character is required in actual practice.

"We must not expect that our prayers shall penetrate heaven, unless they are pointed with sincerity."

Instead of *shall penetrate heaven*, we may say *shall be heard by God*, and instead of *pointed with sincerity* we may say *sincere*. Now, by transforming the sentence becomes, "We must not expect God to hear insincere prayers."

"Catch then, O catch, the transient hour,
 Improve each moment as it flies ;
Life's a short summer—man a flower—
 He dies—alas ! how soon he dies."

There are two ideas brought out here, (1) that *man should improve his time*, (2) that *life is short*. The meaning might be expressed thus : "Improve your time, for life is short.

EXAMPLES.

1. The former with easy hand collected, as it passed by him, whatever could add to his own stores, appropriated what he could assimilate, and levied subsidies of knowledge from all the accidents of social life and familiar intercourse.

2. With equal pace impartial Fate knocks at the palace and the cottage gate

3. The enormous waste of timber by bush fires is quite incredible to those who have not witnessed the devastation of wooded lands by this destructive element.

4. The trees are all shrouded in mantles of white.

5. In six days God reared the magnificent creation, turning the rude chaos into symmetry, and pervading it with life, so that beauty and animation succeeded what was shapeless and inert.

1. The former gained knowledge easily by experience.

2. All men are alike subject to death.

3. The destruction of timber by bush fires is incredible to those who have not seen them.

4. The trees are covered with snow.

5. In six days God made the world, turning what was shapeless and inert into a scene of life and beauty.

EXERCISES.

1. Pride goeth forth on horseback, grand and gay,
 But cometh back on foot, and begs its way.

2. On the morning of the festal day the roads are thronged with sledges conveying visitors to their destinations ; the brass bells which decorate the hardy little Norwegian horses making a merry tinkling in the frosty air.

3. I have been taking a survey of your locality, and am actuated by ardent* wishes to have my residence in the midst of scenery so enchanting.

4. The snowdrop, foremost of the lovely train, breaks her way through the frozen soil in order to present her early compliments to her lord. Dressed in the robe of innocence, she steps forth, fearless of danger, long before the trees have ventured to unfold their leaves.

5. Now although the Rev. Robert Vane did not aspire to bring any positively undiscovered truths out of the storehouse of the Bible, or to tickle the spiritual palates of his hearers with the spicy flavour of heterodoxy, yet he had a happy knack of clothing familiar teachings in a fresh and striking garb, and of appealing to those nerves, so to speak, in the great network of the brain which had not lost their sensitiveness through repeated friction. The result was that whenever and wherever he was announced to preach, crowds flocked to hear him, to have their spiritual atmosphere cleared by a breath from his revivifying breeze of freshness.

6. The wonderful perfume of some of these odorous flowers almost intoxicated the visitor ; observing which, the fairy company hastened to lead him away from their flower to their fruit gardens, where he regaled himself with the sweetest and most luscious fruits imaginable.

7. Lucius Avory's heart withered within him long before he reached the end of the letter. He let it drop from his nerveless fingers, and sinking into the nearest chair with a groan, he buried his face in his hands. All the golden fabric of fraud which he and his wife had built up with so much labour and cunning, as at the touch of an enchanter's wand had fallen in ruins around them. The avenger was on their footsteps, and soon would overtake them ; before them loomed a future at whose blackness his soul shrank aghast.

8. And Ardennes waves above them her green leaves.

Dewy with nature's tear-drops, as they pass,
Grieving, if aught inanimate e'er grieves,
Over the unreturning brave,—alas !
Ere evening to be trodden like the grass
Which now beneath them, but above shall grow
In its next verdure, when this fiery mass
Of living valor, rolling on the foe,
And burning with high hope, shall moulder cold and low.

8. Yes ; I am old now, and chilly sometimes at night when the fire gets low, wearing a greatcoat even on the summer days, and shivering often when the zephyrs fan my face. But I am kept young by my love for nature ; I woo her as amorously as ever maid was wooed by swain, and she is not afraid to press her rosy lips to mine, yellow and withered as they are, and to twine her lovely arms round my neck. I love her for her hopefulness, for her inexhaustible store of youth. Everywhere with love she rebukes poor mortals for sitting down sad with folded hands, and with a glad voice bids them be up and doing. She is irrepressible. You may crush her down with stony hand and plaster over every vestige of her beauty, and then say to yourself in pride of heart, 'I have made a city, a place for commerce and traffic, and pleasure and sorrow ;' and yet, turn your back for an instant, lo ! a little blade of grass comes up between the stones of the causeway and laughs in your very face.

OMISSION OF WHAT IS UNIMPORTANT.

When attempting to eliminate the parts of a passage expressing the less important ideas, the student will require to exercise judgment in determining what

these are. This presupposes a clear conception of the author's meaning, as well as a distinct view, mentally, of what constitutes the framework, or main basis of the composition.

This species of abridgment is largely employed in condensing correspondence. Generally speaking, business letters, especially, are written in such a style as not to admit of much reduction otherwise. Remembering this, and also the fact that but little assistance can be rendered in connection with this part of the subject, the student will doubtless realise at once the importance of giving it the closest attention.

"Reason, which is a priceless gift, guides men in the performance of every duty which is required of them."

The leading idea expressed here is that *men are guided by reason*. Therefore the sentence may be contracted thus :

"Reason guides men."

As the summary should contain only the important ideas, it must be the first concern of the student to comprehend the exact meaning of the passage. Having done this, he will determine what is really essential, and endeavor to express it clearly and briefly.

EXAMPLES.

Those important faculties of sight and hearing, which are of so much use, and which procure us so many enjoyments, depend upon muscles so extremely small that they must be magnified to be visible. In the tongue the muscles are very numerous, and so implicated with one another that the nicest disectors cannot trace them ; yet they are so arranged that they never interfere with each other, nor interrupt the various offices of speaking and swallowing. In the other parts of the body the same admirable economy is preserved. The muscles are everywhere diffused ; they lie close to each other, in layers, as it were, over one another, after crossing, sometimes passing through, and even imbedded in one another, yet each at perfect liberty to perform its peculiar office without interrupting the power of its neighbor.

If the student will examine the foregoing paragraph carefully he will see that the writer wishes to impress the following facts :

1. That muscles are minute and numerous.
2. That they are implicated with one another.
3. That they are found in all parts of the body.
4. That one muscle does not hinder another from performing its proper function.

The summary should give prominence to these ideas, and to no others. For that reason nothing need be said about the *importance* of the faculties referred to, or of the difficulty of dissecting the muscles of the tongue in particular.

Abridgment.

The faculties of sight, hearing, and speech depend upon muscles microscopically small. Although muscles are thickly diffused throughout the body, being in some parts even imbedded into one another, each performs its function freely.

EXERCISES.

1. All boys and girls like apples and pears, and a well-made apple-dumpling is one of the things that comes on the poor man's table. But town children, looking with longing eyes at the piles of rosy apples on the stall, and the thrifty wife who goes to market to get the best two-penny worth she can for her dumpling, know little of the places where the apples grow, or of the pleasures of gathering. They have to do with apples only on the stall, and in the market; they do not know them in the orchard and on the tree.

2. In vain, after these things, may we indulge the fond hope of peace and reconciliation. There is no longer any room for hope. If we wish to be free; if we mean to preserve inviolate those inestimable privileges for which we have been so long contending, if we mean not basely to abandon the noble struggle in which we have been so long engaged, and which we have pledged ourselves never to abandon until the glorious object of our contest shall be obtained, we must fight; I repeat it, sir, we must fight! An appeal to arms and to the God of Hosts is all that is left us!

3. On the knowledge of the spherical figure of the earth, the art of navigation in a great measure depends; and all the voyages of discovery, which have been made in later years, were undertaken in consequence of the knowledge of this fact. Had mankind remained unacquainted with this discovery, the circumnavigation of the globe would never have been attempted—vast portions of the world would have remained unknown and unexplored—no regular intercourse would have been maintained between the various tribes of the human race—and, consequently, the blessings of Divine Revelation would never have been communicated to the greater part of the Gentile world.

4. A man of polite imagination is let into a great many pleasures, that the vulgar are not capable of receiving. He can converse with a picture, and find an agreeable companion in a statue. He meets with secret refreshment in a description, and often a greater satisfaction in the prospect of fields and meadows, than another does in the same possession. It gives him, indeed, a kind of property in everything he sees, and makes the most uncultivated parts of nature administer to his pleasures; so that he looks upon the world, as it were, in another light, and discovers in it a multitude of charms, that conceal themselves from the generality of mankind.

5. To satisfy the examiner, the entirely uncultured youth has in the first place to set himself resolutely to learn to read. Then he must be able to write to the extent of transcribing a few lines from a book. With the mysteries of the four elementary rules of arithmetic, he must display a tolerably intimate acquaintance. To men who can already read and write, the latter does not prove an insuperable obstacle. Having furnished a moderately good “paper” on these not very exacting subjects, he in a few days receives his fourth-class certificate, and leaves the school in triumph.

6. In a country where there is no law, there is no security for life or property; no abundance of the necessaries or the luxuries of life; no certain subsistence for the inhabitants; and the only equality that can exist in such a condition of society is an equality of misery, where all classes are exposed to the risks and dangers incident to a state of anarchy.

7. Burchill, the South African traveller, was one day travelling with a caravan along the bank of a river which was densely fringed with tall grasses and mat-rushes, when his dogs began barking loudly at some concealed object. In a

minute or two, roused by the tumult, a lion and lioness broke out into the opening. The latter immediately took to flight among the reeds, but the lion, an enormous animal, with a full black mane, advanced a step or two, and then stood still, gazing calmly, as if to say, "Who are you that have dared to intrude on my royal privacy?" Some of the party were unarmed, and to them the lion's glowing eye was a thing of fear; others, who had weapons, put their fingers on the triggers ready to fire; and Burchill himself held his pistols in the same manner. At this moment the dogs rushed forward and barked around him. Two of them ventured too near the destroyer, who slightly lifted his paw, and, lo! they were dead. So quickly was it done, that Burchill had only time to mark the result. The men immediately fired, a ball entered the lion's side; but though the blood began to flow, he still preserved his attitude of half scornful, half curious immobility. They then expected that he would certainly spring, and Burchill raised his pistols, but to their surprise, and not a little to their relief, he wheeled himself round, and proudly marched away.

EXERCISES—REVIEW.

1. Public attention has recently been drawn to the possibilities which are now making themselves manifest of extinguishing fire by the application of chemicals whose properties are antagonistic to combustion.

2. A parent may control the actions of his children so long as they remain under his roof, and may insist upon his regulations being observed and his commands obeyed.

3. In the biographies of the saints of the early Celtic Church it is frequently recorded that towards the close of their lives they left their monasteries and sought the seclusion of some lonely island or mountain solitude, in order to pass the evening of their days in undisturbed devotion and freedom from worldly cares.

4. What we got from our worthy director from Grimsby is quite in keeping with some thoughts that have been travelling through my head, and to which I gave some expression in one of my articles in the *Canadian Horticulturist*.

5. According to some of the novels of the present day, it is only the lovely nymphs of seventeen or eighteen, and the fascinating swains of three or four and twenty, who have any business to think of matrimony. The poor plain ones, or those who have passed the meridian of life, are looked upon as completely shelved; the hymeneal torch is not to be lit for them, and the little god of love passes them over with contempt.

6. The migration of birds is a subject that has excited the attention of naturalists of all nations from very early times, and many theories have been advanced to account for the mysterious periodical movements that take place among the feathered tribes, although it can hardly be said there is one which fully explains these movements.

7. The earth, covered by its first mantle of snow, reminds one that the collecting season is virtually ended, and the lengthened evenings allure one to the study fireside to go carefully over note-books and collections and to read the recorded labours of fellow-Entomologists.

8. I was so unfortunate during our sojourn in those remote regions as to dislocate my ankle; and in the absence of regular medical aid, Digby showed himself a skilful amateur surgeon, and afterwards relinquished many hours of sport with his friends, in order to sit by my sofa and help me to while away the tedium of my idle days.

9. As it is not a vain and false, but an exalted and religious imagination, which leads us to raise our thoughts from the orb which, amidst this universe of worlds, the Creator has given us to inhabit, and to send them with something of the feeling which nature prompts, and teaches to be proper among children of the same Eternal Parent, to the contemplation of the myriads of fellow-beings with which his goodness has peopled the infinite of space, so neither is it false or vain to consider ourselves as interested or connected with our whole race through all time ; allied to our ancestors ; allied to our posterity ; closely compacted on all sides with others ; ourselves being but links in the great chain of being, which begins with the origin of our race, runs onward through its successive generations, binding together the past, the present, and the future, and terminating at last with the consummation of all things earthly, at the throne of God.

10. I venture to prophesy there are those now living who will see this favored land amongst the most powerful on earth ; able, sir, to take care of herself, without resorting to that policy which is always so dangerous, though sometimes unavoidable, of calling in foreign aid. Yes, sir ; they will see her great in arts and in arms ; her golden harvests waving over fields of immeasurable extent ; her commerce penetrating the most distant seas, and her cannon silencing the vain boasts of those who now proudly affect to rule the waves. But, sir, you must have *men* ; you cannot get along without them. Those heavy forests of valuable timber under which your lands are groaning must be cleared away. Those vast riches which cover the face of your soil, as well as those which lie hid in its bosom, are to be developed and gathered only by the skill and enterprise of men. Your timber, sir, must be worked up into ships to transport the productions of the soil from which it has been cleared. Then you must have commercial men and commercial capital to take off your productions, and find the best markets for them abroad. Your great want, sir, is the want of men ; and these you must have and will have speedily if you are wise.

11. It is not easy to over-estimate the advantages of under-draining, or to apply to it the language of extravagance. Since first practised its march has been victorious—a succession of triumphal conquests. It has drawn the line of demarcation between the domain of the living and the dead in plant life. The battle-ground of occupancy between the principles of vegetative production and vegetative destruction, it has given to the former. It has broken the iron sway of the fitfulness of the seasons, and taken away its yoke. It has supplanted a sickly delicacy in plant life by the robust vigor of a strong growth. It has unlocked the hidden chambers of the secreted forces of the soil, driven them out from their hiding-places, and forced them to give of their hoarded wealth to the husbandman. It has given abundant “seed to the sower” and “bread to the eater,” has filled the barns of the yeomen brimful, and their pockets with yellow gold. It has practically chained the frost-king to ice-rocks of the north for two whole weeks in autumn, and broken his fetters a fortnight earlier in spring. It has smitten the grasses of the marsh (comparatively useless), which love a watery domain, with a hopeless decay, and covered the abode of the frog and the lizard with rich, ripe shocks of well-eared corn. It has turned the joyless fen, where seeds of death hovered in the air, into the happy abode of singing bird and laughing child ; and what it has done it will continue to do, if only given a chance.

12. The inevitable necessity that a Levantine or Asiatic feels to ask more than double the actual value of his goods, and allows himself afterwards to be beaten down to something less than half what he originally asked, is a cause of

bewilderment to the ordinary Briton, and a continual sore rankling in the bosom of the unwary tourist who has fallen a victim. It is not only the unlicensed hawker who takes his wares on board ships as they put in to the various ports along their route, and whose prices are merely a speculation as to how great an extent his customer may be imposed upon; but in the regular shops and markets, this system of haggling is perfectly recognized; and a trader who fixed a fair price on his goods, and kept to the one price, would run considerable risk of losing his entire custom, as the satisfaction of having beaten down a tradesman, and forced him to strike off something from his original price, gives an appreciable flavor to the transaction.

CHAPTER II.

PRÉCIS-WRITING.

Précis-Writing, while affording, in common with other departments of the subject of composition, excellent facilities for mental development, possesses, on account of its utility, a very pressing claim on the attention of the student preparing to enter upon the duties of a business life. No one is properly fitted for a clerkship who is not prepared to summarize a letter, or a series of letters, when required to do so by his superior.

By a *Précis** is meant a short form of composition, giving in clear and concise language, all this is *really essential* in business correspondence, or other writing.

The object of condensing letters, &c., is that the head of a department, manager of a business, or other person in authority, may comprehend all that is important in them without reading the originals.

It often occurs that the person to whom a letter is addressed, has not at his disposal the time which would be required to read it. In order to acquaint himself with the particulars of the letter in the shortest time possible, he will, instead of reading the original, read a *précis* or summary of it, prepared by his clerk.

"The merit of a *précis* consists in its brevity, completeness, clearness, and judicious arrangement."

EXAMPLE.

Sir James MacKintosh to Macvey Napier.

MORDOCKS, November 13, 1822.

MY DEAR SIR,—

It would be difficult for me to convey to you an adequate conception of the magnitude of my historical arrears, and of the sad extent to which inevitable engagements, ill-health, and domestic afflictions have of late encroached on the time which ought to have been employed in attempting to discharge them. My circumstances in that respect are at present such that nothing could have made me think of the experiment which I mentioned in my last, but a feeling that I ought sooner to have told you my difficulties. I should be very much obliged to you by your saying to Thomson that there is nothing of which I

* Pronounced *prä-sē*

am at present so desirous as authentic information about Glencoe, and that I beg to know from him whether the proceedings published in the thirteenth volume of "Howell's State Trials" be an accurate and complete account of what passed in the Scotch Parliament concerning that solitary but deep blot on the Revolution.

Very truly yours,

J. MACKINTOSH.

NOTE.—The student is expected to do all he can for himself before referring to the précis given below, for it is intended merely as a guide. If, on making a comparison, he should find that his own is considerably different from the model, he must not at once conclude that his efforts have been unsuccessful. As there are various ways of expressing the same thing, he must first call to mind what the requirements of a précis are, and then proceed to discover to what extent his work complies with these. Having done this, he is in a position to exercise his judgment in regard to the matter.

The student on reading the foregoing letter will observe that the following indicate the important points :—

1. Historical arrears, and difficulty in discharging them.
2. The request made.

Therefore, the précis may take the following form :—

PRÉCIS.

Mr. Macvey Napier is informed of the magnitude of Sir James MacKintosh's historical arrears, and of his difficulty, owing to unfavorable circumstances, in discharging them. Sir James MacKintosh, anxious for authentic information, requests him to ask Thomson if the thirteenth volume of "Howell's State Trials" gives a full and accurate report of the proceedings of the Scotch Parliament concerning Glencoe.

EXERCISE I.

SAMUEL WILMOT, Esq.,

NORTH ESK, October 15, 1887.

Newcastle, Ontario.

SIR,—

Your letter of the 1st inst. came duly to hand, and contents noted. I will follow the instructions given therein. The freshet has been very high, but done no damage, or at least nothing to speak of. The water was running over the lower dam; and I had to run a net along the top in order to prevent the fish from going over. I think some have got out. I had to remain at the racks all night in order to keep them clear of leaves, otherwise there would have been a clean sweep: this being the first rise of water this season brought a large amount of leaves and other rubbish. All danger is now past for this season, and I hope we will not have such a sudden rise of water again. The fishermen will be down to-day with one hundred more fish, this will conclude this season's fishing; I think we now have a sufficient number to fill the house.

I remain, yours truly,

ISAAC SHEASGREEN.

- (a) Indicate the principal points in the letter.
- (b) Write a précis of it.

EXERCISE II.

BERWICK, September 27, 1877.

SIR,—

An absence from college on account of sickness, has prevented my answering your obliging communication requesting me to write a paper on Political Economy, for publication in the columns of that excellent periodical, the Review. Although I am far from being disengaged at the present time, I think I may safely promise to have the article referred to ready for the December number. I may say, however, before commencing it, that many of my views on that important subject differ widely from those expressed by some of the contributors to your paper during the last three years; but I presume that its readers, being of the more intelligent sort, will not suppose the views that I may see fit to set forth will necessarily be indorsed by you. At any rate, the more I consider the subject, the more I am convinced that many of the popular notions of the day regarding it are based on a false foundation.

Yours truly,

C. D.,

Stoke.

A. B.

- (a) Indicate the main points in this letter.
- (b) Write a précis of it.
- (c) In what do the merits of a précis consist?

EXERCISE III.

BRANDON, July 14, 1887.

DEAR SIR,—

I beg leave to acknowledge the receipt of your letter, dated July 1st inst., asking for information in regard to your claim. On account of circumstances, which nothing could have enabled me either to anticipate or prevent, I was compelled to leave home on the 30th ult. Since that time I have done no office work, and therefore I have to inform you that the papers have not been submitted for approval; but that the matter will be attended to without delay. As soon as a satisfactory arrangement is made, I shall write you.

Yours truly,

E. E. MURCH, Esq.,

Prince Albert.

B. C. DENHOLM.

- (a) Write a précis of the foregoing letter.

EXAMPLE.

UNDERWOOD, July 14, 1887.

DEAR SIR,—

The other day I had a letter from my brother, informing me that you wish to sell your farm, and giving me a somewhat detailed description of it. From what he said I am of opinion that it would make a good stock farm, and that is just what would suit me, as I purpose to devote my attention chiefly to the rearing of horses and cattle. It being my intention to purchase shortly, you will do me a favor by letting me hear from you at once. Please give particulars

in regard to price, terms of sale, &c. State also which day next week it will best suit your convenience for me to go over, as I must see the farm myself before doing anything further in regard to the matter.

J. B. PRATT, Esq.,
Bervie, Ont.

Yours respectfully,
J. J. HOWE.

BERVIE, July 16, 1887.

DEAR SIR,—

I have the honor to acknowledge the receipt of your favor, dated the 14th instant, intimating that you have some notion of purchasing the farm which I offer for sale, and asking particulars in regard to price, terms, &c. In reply I beg leave to state that my cash price is Eight Thousand Dollars; but that I am willing to accept Four Thousand Dollars cash, and a mortgage, payable in five years, bearing interest at the rate of 6% per annum, for the balance. The farm is certainly an excellent one for stock raising, having all necessary conveniences, such as stabling, pasture fields, water supply, &c. I shall be at liberty on the afternoon of Friday, the 22nd inst., and it will afford me much pleasure to assist you in examining whatever may be of interest to you.

J. J. HOWE, Esq.,
Underwood, Ont.

Yours respectfully,
J. B. PRATT.

UNDERWOOD, July 18, 1887.

DEAR SIR,—

Permit me to acknowledge the receipt of your favor of the 16th inst., giving price, &c., of the farm which you offer for sale. While thanking you for kindly offering to assist me in examining the farm, I beg leave to state that such examination would be useless, unless you can modify your terms of sale. If I should decide to buy from you, I could pay down Three Thousand Dollars, and the balance in three years. Please let me know at once if this would be satisfactory to you, and oblige,

J. B. PRATT Esq.,
Bervie, Ont.

Yours, &c.,
J. J. HOWE.

BERVIE, July 20, 1887.

DEAR SIR,—

In reply to your favor of the 18th inst., asking information in regard to a modification of terms of sale, I have much pleasure in stating that what you propose would be quite satisfactory to me, should you decide to purchase the farm. I shall, therefore, expect you on the afternoon of Friday, the 22nd inst.

J. J. HOWE, Esq.,
Underwood, Ont.

Yours, &c.,
J. B. PRATT.

On reading the correspondence given above, the following important points may be noted :—

- No. 1. Asking for particulars relating to farm.
- No. 2. Particulars given.

No. 3. Inquiry in regard to a modification of terms.

No. 4. Proposed terms satisfactory.

PRÉCIS.*

No. 1. Mr. J. J. Howe, hearing that Mr. J. B. Pratt had offered his farm for sale, asked him for particulars as to price &c. Mr. Pratt stated that the price was \$8,000, of which \$4,000 was to be cash, a mortgage, payable in 5 years, and bearing interest at 6%, to be taken for balance. Mr. Howe, being unable to accede to these terms, inquired if \$3,000 paid down, and the balance in three years, would be satisfactory, should he decide to purchase. Mr. Pratt replied in the affirmative.

EXERCISE IV.

DOMINION LANDS OFFICE.

SIR,—

PRINCE ALBERT, N.W.T., 11th March, 1882.

As a majority of the settlers on the south branch of the River Saskatchewan, in the vicinity of the parish of St. Laurent, have taken up their lands previous to the survey with narrow frontages, similar to those river claims in other parts of this district; and in view of the difficulty likely to be experienced in this office in adjusting the boundaries of these claims in accordance with the section survey, I have, at the request of several settlers so situated, the honor to request information as to the possibility of re-surveying these sections into river lots on a similar plan to that adopted in Prince Albert settlement, none of these claims having as yet been entered in this office.

I have the honor to be, Sir, your obedient servant,

GEO. DUCK, Agent Dom. Lands.

Surveyor General Dominion Lands.

DEPARTMENT OF THE INTERIOR,

SIR,—

OTTAWA, 21st September, 1882.

I have the honor, by direction of the Minister of the Interior, to acknowledge the receipt of your letter of the 11th March last, stating that you had been requested by several of the settlers in the vicinity of the parish of St. Laurent to obtain information from the Department as to the possibility of there being a re-survey of their claims by the Government, and to inform you that it is not the intention of the Government to cause any re-survey to be made. Of course, any sub-division differing from the regular survey they may desire, they can procure for themselves when the lands come into their possession. You will please, therefore, communicate this decision to the persons interested.

I have the honor to be, Sir, your obedient servant,

A. M. BURGESS. Secretary.

GEO. DUCK, Esq., Agent Dominion Lands, Prince Albert, N.W.T.

(a) Write a précis of the foregoing letters.

(b) What is the use of a précis of official correspondence?

* The margin is left for the insertion of anything important that may have been omitted at the time of writing the précis.

CHAPTER III.

INDEXING.

Indexing, in a general sense, includes the various means used by accountants and others to facilitate reference to documents or entries.

This subject may conveniently be treated under the following headings :

- (1) Indexing correspondence in tabular form.
- (2) Indexing letters received.
- (3) Indexing letters sent.
- (4) Indexing bills, invoices, &c.

INDEXING CORRESPONDENCE IN TABULAR FORM.

By this kind of indexing we mean the tabular enumeration in consecutive order of a series of letters, giving their dates and the names of the correspondents, as well as a brief indication of the main subject of each letter.

The student will observe that in an ordinary Index there is just sufficient shewn to identify each letter. Sometimes a *Précis* is not required ; in such case, the Index should give the substance of the correspondence in a condensed form.

We would remind the student that he should become acquainted with the facts contained in a letter or series of letters before attempting either a *précis* or index of the same.

EXAMPLE.

Index for Exercise IV. on page 188.

No.	DATE.	FROM AND TO WHOM.	SUBJECT.
1	1882 March 11	From Mr. Geo. Duck to Mr. A. M. Burgess.	Requesting information in regard to re-surveying river claims on the south branch of the Saskatchewan.
2	Sept. 21	Mr. A. M. Burgess to Mr. Geo. Duck.	Stating that a re-survey is not to be made.

EXERCISE I.

E. H. Hall to A. R. Gibson.

MEADSVILLE, Aug. 11, 1875.

DEAR SIR,—

As I stated to you immediately after your election that there was no office which I desired either for myself or any friend, I have had no occasion to write to you in regard to such matters. There is a matter now, however, that concerns you personally, and in which I feel that I discern your interest so plainly that I take the liberty to write to you with reference to it. I do this with less hesitation, because you did me the honor, after your election, to confide to me pretty fully your views. In the present disturbed state of the public mind concerning the recent gold combination, is it not the quickest and surest way to set at rest the great excitement and uneasiness which prevail, for you to make a brief denial over your own signature of all foreknowledge of that combination in order to relieve yourself entirely from all responsibility for the acts of others? Of course, those who know you personally do not require such a disclaimer; but the great public, whose minds are liable to be warped by the determined and persistent efforts to injure you, will be, it seems to me, at once satisfied and quieted by such a statement.

Sincerely yours,

A. R. GIBSON.

E. H. HALL.

A. R. Gibson to E. H. Hall.

HILLSIDE, Aug. 29, 1875.

DEAR SIR,—

Your favor of the 11th inst. is received. I have never thought of contradicting statements or insinuations made against me by irresponsible parties, such as those alluded to in your letter; but as you have written to me on the subject in so kind a spirit, I will say that I had no more to do with the late gold excitement than yourself, or any other innocent party, except that I ordered the sale of gold to break the ring engaged, as I thought, in a most disreputable transaction. If the speculators had been successful, you would never have heard of any one connected with the administration as being connected with the transaction.

Yours truly,

E. H. HALL, Esq.

A. R. GIBSON.

- (a) Make an index of the letters given above.
- (b) What is the object of indexing letters.

EXAMPLE.

Index for Example on Page 186.

No.	DATE.	FROM AND TO WHOM.	SUBJECT.
1	1887 July 14	<i>Mr. J. J. Howe to Mr. J. B. Pratt.</i>	<i>Asking for particulars in regard to farm offered for sale.</i>
2	July 16	<i>Mr. Pratt to Mr. Howe.</i>	<i>Stating that price is \$8000. Cash, \$4000; a mortgage payable of 5 years, bearing int. at 6% for balance.</i>
3	July 18	<i>Mr. Howe to Mr. Pratt.</i>	<i>Asking whether \$3000 paid down, and balance in 3 years would be satisfactory.</i>
4	July 20	<i>Mr. Pratt to Mr. Howe.</i>	<i>Informing him that it would.</i>

INDEXING LETTERS RECEIVED.

There are various methods of arranging letters which are received, each having its own peculiar advantages and disadvantages. It is difficult to say which is the best, for the reason that the requirements of one office might be fully met by a system of indexing which would prove altogether unsuitable for another office. Although this is the case, there is no difference in regard to the ultimate object in view, viz., that any particular document may be referred to in the shortest time possible.

In deciding on the plan to be adopted, the principal things to be considered are the extent and character of the correspondence, and the cost of the necessary apparatus, such as filing cabinets, binding cases, &c.

We shall endeavor to describe a method that does comparatively well for a business requiring only a limited correspondence.

Suppose that the office is provided with a case having about forty boxes or pigeon-holes suitable for holding letters and other documents. To prepare it for use it is necessary to label twenty-six* of these boxes with the letters of the alphabet respectively, and that in order, the first being marked A, the second B, &c. Six pieces of ordinary card-board marked A, E, I, O, U, and Y, respectively, and arranged in the order in which the vowels are here given, will be placed in each box. When a letter from John Smith, for example, is answered (if an answer is required), it is placed in the box labelled S, and immediately above the card having I at its outside extremity which projects sufficiently to allow the vowel on it to be seen. A communication from James Johnson is placed in the box labelled J, and just above the card which has O on it. From these examples the student will, no doubt, observe that the letter of

* The remaining boxes will be used for letters which are to be answered, bills, invoices, receipts, &c. These, also, will be labelled.

the alphabet distinguishing a particular box, is the initial letter of the surname of every correspondent whose letters are placed in it. He will also notice that the vowel marking the card immediately below a particular letter agrees with that of the first syllable of the surname of the correspondent.

The date on which a letter is received should be stamped or written on it as soon as it comes to hand. When this is done it is placed in a box labelled "Letters," where it remains until it is answered.

The page and number of the Letter Book containing the answer to a letter, as well as the date of answering it, should be placed on it near the top.

The letters received from the same person should be arranged in the order of their dates.

When a considerable number of letters is received from a person or firm, a separate box should be used for them.

At the end of each year or half-year, as necessity may require, the letters will be taken out of the boxes, and tied up in bundles or put into closed binding cases for the purpose. They should be alphabetically arranged as before, and the packages should be labelled so as to shew the opening and closing dates of the period during which they were received.

INDEXING LETTERS SENT.

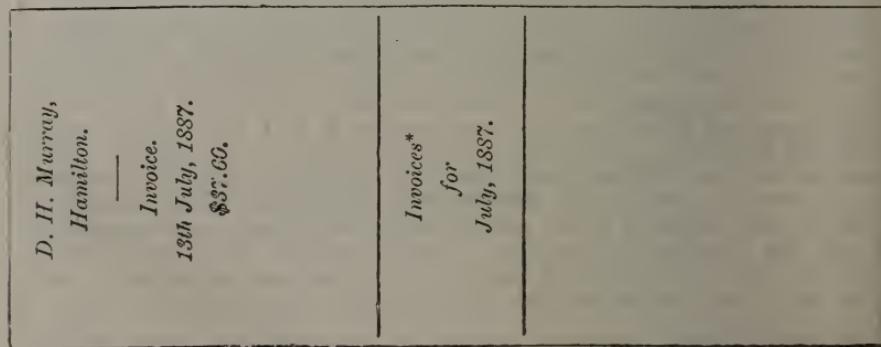
When a person writes a business letter of any importance, he should, before sending it away, take an impression of it in his Letter Book, which being paged, may have an index like that of a ledger.

Letter Books should be numbered 1, 2, 3, &c., and as they become filled, the opening and closing dates of the period for which each was used should be written on the back of it.

When a letter requires an answer, it will be found convenient to give the correspondent the page and number of the Letter Book containing the copy, so that he may refer to it in his reply.

INDEXING BILLS INVOICES, &c.

Bills, Invoices, &c., as soon as examined, (if found correct,) are placed into labelled boxes or drawers, being arranged in alphabetical order. At the end of each month they are taken out, folded neatly, and enclosed in wrappers, marked as indicated below :—



* The wrapper.

<i>A. H. Smith, Kinardine.</i> <hr/> <i>Receipt. 14th May, 1887. \$125.</i>	<i>Receipts.* for May, 1887.</i>	
<i>N. D. McKinnon, Underwood.</i> <hr/> <i>Bill of Goods. 25th July, 1887. \$19.20.</i>	<i>Bills* for July, 1887.</i>	

At the end of the year, the Invoices for the different months are arranged in order, after which they are tied up, and the package is labelled. Bills, receipts, &c., are treated in similar manner.

When a large business is done, it is very convenient to use properly constructed files and binding cases.

CHAPTER IV.—REVIEW.

EXERCISE I.

GOVERNMENT HOUSE,
BATTLEFORD, N.W.T., 13th Feb., 1878.

SIR,—

I have the honor to transmit herewith a petition of certain half-breeds of St. Laurent relating to several matters affecting their interests in this country.

Though the petition is addressed to the Lieutenant-Governor of the North-West Territories, yet as it refers to questions for the most part wholly under the control of the Dominion Parliament and Government, I am requested to forward it to His Excellency the Governor-General in Council.

I hope you will have the goodness, at an early day, to lay it before His Excellency in Council.

* The wrapper.

Should it be the intention of the Government to appoint any additional members to the Council of the North-West Territories, the prayer of the petitioners, that such should be selected from the old residents of the country, is well worthy of consideration.

It is important that the land policy of the Government towards old settlers and others living for many years in the Territories should be declared. It appears to me that they have a claim to some more speedy means of acquiring a title for settlement purposes than the homestead provisions of the Dominion Lands Act.

To prevent disputes between neighbors, it is highly desirable that the survey of lands settled upon along the principal rivers should be prosecuted with all convenient speed.

With respect to the prayer for assistance in procuring seeds and implements to commence farming operations, it is similar to the request made to me by the half-breeds of Bow River during the Blackfeet Treaty negotiations, and which I forwarded to you and commended to the favorable consideration of the Government.

I have the honor to be, Sir, your obedient servant,

DAVID LAIRD,
Lieutenant-Governor of the North-West Territories.

Hon. the Minister of the Interior, Ottawa.

DEPARTMENT OF THE INTERIOR,
OTTAWA, 18th March, 1878.

SIR,—
I have the honor to acknowledge the receipt of your despatch, No. 47, of the 13th ultimo, covering a petition addressed to you by certain half-breeds of the parish of St. Laurent, relating to several matters affecting the interest of the half-breeds in the North-West.

2. You are requested to inform the petitioners that I shall have much pleasure in submitting their petition for the consideration of His Excellency the Governor General in Council.

3. In the meantime you may intimate to the petitioners that should it be thought desirable to appoint additional members to the Council of the North-West, I shall be prepared to recommend to His Excellency's consideration their application that such members should be selected from the old residents in the Territories, and that, if possible, one of them should be of French Canadian origin.

4. The propriety of passing an Act to secure for the half-breeds some more speedy means of acquiring a title for settlement purposes than under the provisions of the present Homestead and Dominion Lands Act has for some time past engaged my attention.

5. As regards the application of the petitioners for an early survey of the settled lands along the principal rivers, I have to request you to inform the petitioners that the surveys of such lands has already been carried out to some extent, and will be prosecuted as rapidly as the funds at the disposal of the Department will permit.

6. The application of the petitioners to be aided by the Government with seed and agricultural implements in their farming operations, I confess I am not disposed to view favorably. I don't see upon what grounds the half-breeds can claim to be treated differently from the white settlers in the Territories.

7. The half-breeds who have, in some respects, the advantage over new settlers in the Territories, should be impressed with the necessity of settling down in fixed localities, and directing their energies toward pastoral or agricultural pursuits, in which case lands would no doubt be assigned to them in the same way as to white settlers. But beyond this they must not look to the Government for any special assistance in their farming operations.

8. The petitioners are in error in supposing that the Government has given seeds or farming implements to any other class of white settlers in the North-West.

9. Money has been advanced in some cases to certain settlers on the distinct understanding that it would be repaid to the Government by the parties to whom it was advanced. I may add that the result of this experiment has not been such as to induce the Government to repeat it.

I have the honor to be, Sir, your obedient servant,

DAVID MILLS,

His Honor the Lieut.-Governor of the North-} West Territories, Battleford, N.W.T. }

Minister of the Interior.

- (a) Note the important points in the foregoing.
- (b) Write a précis of it.
- (c) Index it.

EXERCISE II.

J. W. Kaine to James Burnaby.

SIR,—

GRESHAM, Jan. 6, 1867.

You thought proper to publish in your paper of the 27th of November a communication, in which I was gratuitously and unjustly assailed by Dr. Belligerent, who, in the very piece, declared that he was not responsible under the laws of honor, and argued that *editors of newspapers were more accountable for what they published than the writers of their articles.* In deference to the prevailing sentiment of the community against further strife, and in hope that you also would forbear additional wrong, I let this pass, and published an explanation and defence, in which I denied the facts as false inferences alleged against me. You also published in a subsequent communication, on the 1st of January, from the same irresponsible source, a reiteration of the offensive and insulting imputations previously made against me, with additional remarks more offensive than any already published, and this in the teeth of my published statement. You have thus made yourself responsible for the articles, and have left me no other alternative than to meet the responsibility you have assumed. I am under the necessity of requesting that you make a suitable amende to me for the injury you have done me.

Your obedient servant,

JAMES BURNABY, ESQ.

J. W. KAINE.

James Burnaby to J. W. Kaine.

SIR,—

ESKDALE, Jan. 7, 1867.

Your note of the 6th instant was handed to me by Mr. Wade, and has received the earliest attention consistent with my engagements. It does not appear,

from the tenor of your note, what atonement it is in my power to render you. If it will consist in disclaiming any purpose on my part of wounding your feelings, or of injuring your character, you will confer a favor by stating the terms in which such a disclaimer would be agreeable, and I can scarcely apprehend the possibility of not being able to make it in accordance with your wishes.

J. W. KAINES, Esq.

Respectfully yours,

JAMES BURNABY.

J. W. Kaine to James Burnaby.

GRESHAM, Jan. 8, 1867.

SIR,—

I take pleasure in expressing my gratification at your disposition to disclaim any purpose of wounding my feelings or injuring my character by the publication of the communication alluded to in my note. You desire me to state what atonement or disclaimer would be agreeable. I can but presume that your reflection has shewn you that, in publishing the articles of Dr. Belligerent, in view of his declared non-amenability, and of my being a private citizen, and of the fact that I had not assailed him through your columns, you have inflicted, in fact, a wound upon my feelings and an injury upon my character, and that you have become unavoidably responsible for this wrong. Your candor will, therefore, no doubt, induce you to perceive the wrong, and to express regret for the consequences which have ensued from your acts.

Very respectfully,

JAMES BURNABY, Esq.

J. W. KAINES.

James Burnaby to J. W. Kaine.

ESKDALE, Jan. 8, 1867.

SIR,—

Your note of to-day has been received. In permitting the appearance, in the columns of the *Standard*, of the articles referred to, I certainly had no intention to injure or to offend any one; and I readily acknowledge my regret that any wound was thereby occasioned to your feelings, or any injury to your character.

J. W. KAINES.

Respectfully yours,

JAMES BURNABY.

J. W. Kaine to James Burnaby.

JAMES BURNABY, Esq.:

GRESHAM, Jan. 8, 1867.

SIR,—

It gives me pleasure to state that your note of to-day has been received, and is satisfactory.

Very respectfully,

J. W. KAINES.

- (a) Note the important points of the correspondence given above.
- (b) Write a précis of it.
- (c) Make an index of it.

EXERCISE III.

SWIFT CURRENT, 14th May, 1876.

GENTLEMEN,—

Permit me to ask your opinion in regard to a matter in connection with my occupancy of Lot 107, Concession 24, Township of Cromarty. This lot being unclaimed, unoccupied, and but little improved, was taken charge of by me about five years ago, at which time I made an attempt to get a patent from the Department, but failed to do so on account of a claim made by Mr. H. C. Burdett. In the meantime I have made considerable improvements, having erected a good log house and a frame barn. I have also cleared twenty-five acres, which is now in a fairly good state of cultivation. It is my desire to purchase. Do you think that I have a claim that will be acknowledged by the Department? If so, what steps will be necessary for me to take to secure a clear title. Please let me hear from you at once, for I wish to push the affair, believing as I do that any other claim than mine against the lot is forfeited for non-performance of settlement duties.

Yours truly,

G. A. CHAMBERS.

AMOS & CUMMINGS,
Barristers, &c., Saratoga.

G. A. CHAMBERS, Esq.,
Swift Current.

SARATOGA, 23rd May, 1876.

DEAR SIR,—

We beg leave to acknowledge the receipt of your favor of the 16th inst. Not having sufficient information in regard to the claim against the lot in question, we are not in a position to give you a satisfactory reply; but we shall at once communicate with the Commissioner of Crown Lands, so as to know exactly how matters stand. As soon as we are in possession of the necessary facts we shall write you.

Yours, &c.,

AMOS & CUMMINGS.

G. A. CHAMBERS, Esq.,
Swift Current.

SARATOGA, 29th May, 1876.

DEAR SIR,—

In regard to your letter of the 16th inst., representing that you went into occupation of Lot 107, Concession 24, Township of Cromarty, about five years ago, and that you have since made improvements on the same, we beg leave to state that we have written to the Commissioner of Crown Lands, and have received a reply, informing us that in August, 1871, you made an application through D. C. Campbell to purchase the lot, with the view of making improvements thereon, that it was unsuccessful, and that you were then notified of the claim of Mr. H. C. Burdett, the original purchaser. Considering this, and also the fact that in stating your case you made no effort to shew that you were the only occupant, or the only one having a claim based on occupation or improvements during the last five years, we can come to no other conclusion than that the Department would not consider you entitled to any consideration on account of your present unauthorized occupancy of the lot. We remain,

Yours respectfully,

AMOS & CUMMINGS.

SWIFT CURRENT, 5th June, 1876.

GENTLEMEN,—

Permit me to acknowledge your favor of the 29th ult., in which you express the opinion that the Department would not consider me entitled to any consideration on account of my occupancy of Lot No. 107, Concession 24, Cromarty. As I did not, in my former letter, give full particulars, I beg leave here to state that I have been the only occupant during the last five years and that I have made the only improvements worth mentioning on the lot. I may say, further (and I am prepared to prove all my statements), that Mr. Burdett, who appears to be the original purchaser, left this country twelve years ago, and that the only work he did or caused to be done on the lot, was the clearing of something less than one acre. Now that you have this additional information, please submit the matter again to the Commissioner, and oblige,

Yours truly,

AMOS & CUMMINGS,

. Barristers, &c., Saratoga.

G. A. CHAMBERS.

SARATOGA, 15th June, 1876.

DEAR SIR,—

We have to acknowledge your favor of the 5th inst., giving further particulars in regard to the lot to which you lay claim, and asking us to submit your case to the Commissioner. We did as you requested, and received a reply informing us that you had no right to occupy the lot, and that you are not entitled to any consideration on account of doing so. We are further informed that Mr. Duncan has a claim based on a Tax title; but we are of opinion that it will not present much difficulty if you can satisfy the Department that the Tax purchaser made no effort to improve the property. Tax purchasers should be called upon to occupy within a reasonable time, otherwise the improvement of the country might be retarded in the interest of speculators to an unlimited extent. In our opinion, the best thing for you to do is to lay the whole matter before the Minister. State the case very fully, but in doing so submit nothing but that which you are prepared to substantiate. We remain,

Yours respectfully,

AMOS & CUMMINGS.

(a) Write a précis of the foregoing letters, and index them.

(b) What is the use of a Letter Book? Explain fully.

EXERCISE IV.

HIGHGATE, January 1st, 1876.

THE HON. THE ATTORNEY GENERAL,
Hornsey.

SIR,—

I beg leave to inform you that the Municipal Council of the Township of Blank passed, on the 15th ultimo, a By-Law appropriating the amount due to the township from the Municipal Loan Fund. Please let me know what steps must be taken in order to have the By-Law carried into effect, and oblige,

Your obedient servant,

AUGUSTUS SNODGRASS.

SIR,—

I have the honor to acknowledge your favor of the 1st inst., addressed to the Attorney General. Upon a by-law being passed by your Municipal Council, apportioning their Loan moneys, a copy should be at once forwarded to the Provincial Treasurer, properly certified. This being done, it will, at as early a date as possible, be submitted to the Lieutenant Governor for approval. If there are any Separate Schools in the township, the provisions of the Act in regard to them must be observed; and in such case it might facilitate the approval of the by-law, if with the copy you would send a memorandum signed by the Separate School Trustees, stating that they are satisfied that the by-law grants to them their just share as prescribed by the Act. The Treasury Department will, when informing you that the by-law has been approved, send forms of certificates, upon which the money will be paid. Such sums as may be applicable in payment of debentures will be paid upon the debentures being forwarded to the Treasury Department.

Yours respectfully,

AUGUSTUS SNODGRASS, Esq.,

Highgate.

TRACY TUPMAN.

THE HON. THE PROVINCIAL TREASURER,
Camberwell.

HIGHGATE, January 10, 1876.

SIR,—

Herewith I enclose a certified copy of By-law passed by the Municipal Council of the Township of Blank, appropriating the amount owing to the township from the Municipal Loan Fund. There are no Separate Schools in the township. Some of the sections are building new school houses this year, and therefore want the money as soon as the by-law is approved. Please forward the necessary certificates, so that the sections needing the money immediately may avail themselves of it.

I am, your obedient servant,

AUGUSTUS SNODGRASS.

AUGUSTUS SNODGRASS, Esq.,
Highgate.

CAMBERWELL, January 14, 1876.

SIR,—

I have the honor to acknowledge the receipt of your letter of the 10th inst., accompanied by a certified copy of By-law passed by the Municipal Council of the Township of Blank. Permit me to inform you that the by-law will be submitted for the approval of His Excellency as soon as possible. Some days, however, must elapse as a large batch of by-laws was sent for approval yesterday, and yours is the only one now on hand. On examining the by-law, I find that you appropriated the sum of \$10,369.97, the correct amount being \$10,524, arrived at as follows:—

Population allowance	\$7528 00
Railway allowance over indebtedness	2841 97
Thirteen months' interest accrued	154 03
	<hr/>
	\$10,524 00

The difference arises from interest not having been calculated in the circular first sent; but this was corrected by one sent subsequently, which, in all probability, did not reach you.

I remain, yours respectfully,

SAMUEL PICKWICK

HIGHGATE, January 20, 1876.

THE HON. THE PROVINCIAL TREASURER,
Camberwell.

SIR,—

I beg leave to acknowledge your favor of the 14th instant. In it you state that there is due to the Township of Blank \$154.03 of accrued interest, which was not mentioned in the circular sent by the Department. The corrected circular was delayed somehow, and reached me only a few days ago, the appropriation having been then made. Will it be necessary for the Council to pass another by-law to receive the larger amounts as per corrected circular of the 29th ult.? An early reply will greatly oblige,

Your obedient servant,
AUGUSTUS SNODGRASS.

AUGUSTUS SNODGRASS, Esq.,
Highgate.

CAMBERWELL, Jan. 25, 1876.

SIR,—

I have the honor to inform you that the by-law of the Township of Blank, having been submitted to his Excellency the Lieutenant-Governor in Council, has been approved. Enclosed please find blank certificates. In reply to your letter of the 20th instant, I have to state that it will not be necessary to pass another by-law, as the difference in the amounts can be treated as interest. You will observe that the by-law does not state to what purpose the money is to be applied in the different school sections; and consequently it will be necessary for the certificates to specify the objects to which the various school trustees intend to apply their shares of the allowance, which objects must come within the meaning of the Act as amended. The amendment of this session will enable you to create a school fund with the money if you choose. I remain,

Yours respectfully,
SAMUEL PICKWICK.

HIGHGATE, February 8, 1876.

THE HON. THE PROVINCIAL TREASURER,
Camberwell.

SIR,—

I have the honor to acknowledge your favor of the 25th ult., by which I am informed that Certificates must specify the objects to which the trustees of School Sections intend to apply their shares of the money received from the Municipal Loan Funds. I am at a loss to know how to deal with Sections which have built School Houses, and have already paid the contractor in part. In such a case, shall I grant a Certificate for the full amount of their apportionment, provided that amount is less than the cost of the building; or, shall I grant a Certificate for the unpaid balance only, although such balance should be less than the apportionment? I remain,

Your obedient servant,
AUGUSTUS SNODGRASS.

- (a) Write a précis of the foregoing.
- (b) Index them.
- (c) Shew how to file away letters received.

EXERCISE V.

CAMP, GREAT OKANAGAN LAKE, B.C.,

12th September, 1877.

THE HON. THE MINISTER OF MARINE AND FISHERIES,
Ottawa.

SIR,—

I have the honour to acknowledge receipt of enclosures relating to the construction of a fishing weir at a point on the Fraser River, some miles below New Westminster.

I enclose copies of correspondence on this subject, to which I respectfully refer you.

At a conference which I held with the principal fishery proprietors at New Westminster, in the middle of June, no complaint of this structure, then in progress, was made to me; and I myself saw no objection to the construction of the weir, provided it did not interfere with navigation, or otherwise violate the general provisions of the Fishery Law. Similar weirs were for a time exclusively, and are even now, I believe, partially employed upon the Columbia River. But they were gradually abandoned, as inefficient, in favor of the drift-net, than which, indeed, they are far less destructive.

On the whole, I am of opinion that much causeless jealousy of this weir, built by a man of small means, who probably could not afford the purchase of nets, has been exhibited. On the other hand, if, as Mr. Cooper states, the existence of the weir is calculated to cause impediment to the navigation at some future time, its continuance would of course become illegal. Indeed, the general Fishery Law itself provides for the removal of the stakes at the end of the season.

On my return to New Westminster I shall enquire particularly into all matters connected with the subject in question and report to you afterwards. Meanwhile, I am happy to say that the enormous shoals of fish that have passed up during the last two months, will at least have removed whatever apprehensions the Fishery proprietors may have entertained.

I have the honor to be, Sir, your most obedient servant,

ALEX. C. ANDERSON.

Inspector of Fisheries, B.C.

MESSRS. FINLAYSON & LANE

KAMLOOPS, B.C., 7th July, 1877.

and HENRY HOLBROOK, Esq.,

New Westminster, B.C.

GENTLEMEN,—

I received yesterday only your telegram of 28th ult., announcing that parties (not named) were placing heavy pile traps in the river, obstructing navigation, and that you protest. Of course any such proceeding is illegal, and, on complaint before a Magistrate, under the general and comprehensive terms of the Fishery Act, would be interdicted.

Before leaving Victoria, I received an application from a Mr. Ibbotson, concerning a fish-trap; I enclose a copy of my answer, and you will see that I guard specially against any interruption of the navigation, or violation of the observances usual on the Lower Fraser with regard to the salmon fishery.

I have the honor, &c., &c.,

(Signed) ALEX. C. ANDERSON.

Inspector of Fisheries, B.C.

P.S.—With reference to the general subject, I trust that the gentlemen engaged in the fishery (as suggested by me when in New Westminster) will meet and draw out some rules or by-laws for the conduct of the fishery, as their experience may teach. These, if sent to me, I would forward officially to Ottawa for approval or confirmation. At the same time, I could recommend the appointment of a Warden or Overseer to watch that the rules were carried out.

A. C. A.

(*Copy of Telegram.*)

A. C. ANDERSON,
Kamloops.

Parties are placing heavy pile-traps in the river, obstructing navigation. We protest.

FINLAYSON & LANE.
H. HOLBROOK.

A. C. ANDERSON

NEW WESTMINSTER, B.C., 10th July, 1877.

DEAR SIR,—

Colonel Lane and myself telegraphed to you about the traps being erected and placed in the river. *It catches both large and small, and we think the erection is contrary to law; but if such is not the case, we shall have to put them up and allow no fish to pass up for the Indians. Several cargoes of stone are being brought from Nanaimo to weight it—it is the heart trap.

We would like to hear your decision in the matter. There are seventy boats fishing with nets, and we all want fair play and to start even. There is trouble for want of fishing regulations to-day, at the mouth of the rivers, which will be a case for the magistrates, as knives and pistols (so report says) have been drawn.

Yours, &c.,

(Signed) H. HOLBROOK.

(Copy)

KAMLOOPS, B.C., 20th July, 1877.

THE HON. HENRY HOLBROOK,

&c., &c., &c.,

New Westminster.

DEAR SIR,—

I have received your letter of the 10th inst., having reference to the joint telegram of yourself and Messrs. Finlayson & Lane, to which I had already replied on the 7th inst.

By the copy then sent of my note to Mr. Ibbotson (whom, though not named by you, I assume to be the offending party), you will perceive that I specially guard against any interruption of the navigation, or action in any way violating the rules generally observed in the conduct of the salmon fishery on the Lower Fraser.

*N.B.—As may be gathered from my Reports, &c., this statement, doubtless correct in itself, implies a fallacy.

A.C.A.

Under the showing made by you, I am decidedly of opinion that the trap in question violates the conditions named, and must hereafter be interdicted. Whether, however, the offenders may not have acted under an erroneous view; and whether, under the circumstances, it might be well to condone the error for the present season only, with the full understanding that the trap be removed in the autumn, I leave to you to state to me.

I will write to the Commissioner of Fisheries on the subject, and at the same time suggest to him the expediency of appointing a resident Warden at New Westminster, and also (though less urgently required) at certain other points.

I repeat to you my request that you, and others connected with the Fisheries, would meet as soon as convenient and make such suggestions with regard to the future regulations of the Fisheries as might seem expedient.

These, with my remarks, I would forward for the consideration and sanction of the Minister; and in this way much future trouble and uncertainty would be obviated.

I have the honor to be, Sir,
Your most obedient servant,
(Signed) ALEX. C. ANDERSON,
Inspector of Fisheries, B.C.

(Copy of letter referred to.)

MR. JOHN IBBOTSON,
New Westminster, B.C.

VICTORIA, B.C., 26th May, 1877.

SIR,—

With reference to your letter of the 22nd instant, I lose no time in informing you that I can see no objection to your constructing a fish-trap in the position mentioned by you, provided it does not interfere with the navigation of the river, or otherwise violate the usual observances of the salmon fishery.

I have the honor to be, Sir, your obedient servant,
(Signed) ALEX. C. ANDERSON,
Inspector of Fisheries, B.C.

DEPARTMENT OF MARINE AND FISHERIES,
BRITISH COLUMBIA AGENCY,

HON. A. SMITH,
Deputy Minister of Marine and Fisheries.

VICTORIA, 17th July, 1877.

SIR,—

I have the honor to forward the enclosed communication for the information of the Department, upon receipt of which I thought it necessary to visit New Westminster, and inspect the structure complained of, particularly as it will be seen by Messrs. Holbrook & Lane's notes, that it was represented as a probable obstruction to navigation.

Mr. A. C. Anderson, Inspector of Fisheries, had, I found, given the proprietor authority in writing to construct the fish-trap which extends about 300 feet more or less at right angles from the left bank of the river, five miles below New Westminster. It is, however, upon a sand bar, and does not in any way impede navigation at present; but the probabilities are that the number of piles driven will have a tendency to increase the bar, and shoal the water in that locality.

In conversation with the proprietors of other canneries, I ascertained that they considered it an illegal method of catching fish; but, if in the absence of any law covering such matters in the Province this system was sanctioned, they would all adopt this course if the traps in question proved a success.

I have the honor to be, Sir,
Your most obedient servant,

JAMES COOPER,
Agent Dept. Marine and Fisheries, B.C.

CAPTAIN COOPER :

NEW WESTMINSTER, 9th July, 1877.

DEAR SIR,—

Will you lend me a copy of the Canadian Fishery Laws.

Parties are building a large trap of piles and sunk with stone in the river for the purpose of catching salmon. It will probably be an obstruction to navigation, and, I think, against the laws. Please let me know what the laws are, or send me a copy, and oblige,

Yours truly,
C. C. LANE.

Holbrook and self telegraph a protest to Mr. Anderson.

CAPTAIN COOPER :

NEW WESTMINSTER, 10th July, 1877.

DEAR SIR,—

One of the Fisheries is putting up a large salmon trap. Messrs. Lane and the others object, as we think it against the law, and will be an impediment to navigation, for, if allowed to remain, we all shall have to do the same.

A number of piles are driven into the river; the trap is a large affair, built of wood, and filled with stone and sunk. I hear some vessels are about to bring the stone over from Nanaimo.

It catches the fish both large and small.

We can only appeal to you to see if it stops navigation. You ought to have full power, as Mr. Anderson is away. We telegraphed to him, but no notice has been taken.

There was trouble at the mouth of the river yesterday. I suppose it will come before the magistrates.

Yours truly,
FINLAYSON & LANE.
H. HOLBROOK.

- (a) Write a précis of the foregoing correspondence
- (b) Index it.

EXAMINATION PAPERS.

SECOND CLASS TEACHERS, 1886.

1. Give the sense of the following passage in as few words as possible :

That it is hard to brave a laugh—this is not disputed. That there is a power in sarcasm which may make the condition of the Christian a condition of persecution—this is not disputed. But when the battery of jest and contempt that is brought to bear on him makes him shrink ashamed of his profession, we cannot accept the difficulty of the encounter as an apology for his defeat. We really want terms in which to express our sense of the weakness and infatuation of men who, quite aware that they have right on their side, and thoroughly persuaded that reason gives an unreserved verdict in their favor, are nevertheless abashed and overcome by the ridicule of some thoughtless jester, whose intellect they probably hold cheap, and whose good opinion they consider valueless.

2. Write a précis of the following document :

OFFICE OF THE PROVINCIAL BOARD OF HEALTH,
TORONTO, July 17th, 1882.

DEAR DOCTOR,—

You may have observed that the Provincial Board of Health, in common with many Boards in the United States, has decided upon publishing a Weekly Report of disease prevailing in the different parts of the Province, noting, at the same time, the accompanying meteorological and other conditions.

In order to make such reports of any real value in investigating the causes of disease, it will be necessary for the Board to appoint, in various localities, correspondents whose weekly returns may enable it to deduce practical conclusions therefrom.

To this end the Board has addressed this letter to a number of medical practitioners throughout the Province, and it requests you to consider whether you will accept the position of correspondent to the Board from your district.

Leaving out of view the bearing of the proposed work upon the question of Sanitary Science, and looking at it from a purely professional standpoint, the investigations to be made as to the causes and nature of disease will be as important to medical practitioners as many others in which they are engaged and to which they gladly devote more time. The filling up of the blank forms will require only a few minutes each week ; and should you be willing to devote that time to it, be kind enough to inform the Secretary at once, so that there may be sent to you stamped forms similar to the one enclosed, and a blotter for your convenience and subsequent reference. Should you decide that you cannot do so, you will confer a favor by informing the Board of some medical practitioner in your locality who, in your opinion, would be willing to undertake the work.

The reports and remarks of correspondents will be treated as confidential, a general average of all the reports being published, and the Board exercising discretion in mentioning the names of particular localities.

Although this work, like that of the Meteorological Reporters in Ontario and of the Disease Reporters in many States of the Union, is done gratuitously, yet this Board trusts that the measure of good accruing from this scheme will be such as to encourage it to expect, in the near future, greater pecuniary facilities for making the reports, and the results to be obtained therefrom more nearly perfect.

Trusting that you may find it convenient to co-operate with the Board in this matter,

I have the honor to be, Sir,
Your obedient servant,

P. H. BRYCE,
Secretary.

3. Show how you would index the contents of the foregoing document.

4. Give specimens of your method of indexing (a) out-going letters, (b) letters received, and (c) bills or accounts, so that you could make prompt reference to any particular document.

SECOND CLASS TEACHERS, 1887.

1. Abridge the following sentences without altering the sense :

If men of eminence receive reproaches which they do not deserve, they likewise receive praises which are not due to them.

The science which describes the surface of the earth and its inhabitants is, in my opinion, a very interesting department of instruction.

It is a common maxim and, at the same time a just one, that we can exert more influence by means of example than by means of precept.

2. Give the sense of the following paragraph in as few words as possible :

There is now no opportunity of repentance for me, no chance of being restored to happiness, except through submission, and against that word my proud heart disdainfully revolts. Submission ! how would it dim the lustre of my glory in the eyes of those angels whom I enticed from their state of allegiance by assurances very inconsistent with the temper of submission, boasting that I could subdue and dethrone the Omnipotent. But, alas ! little do they imagine how dearly I pay for having made that vain boast. Little do they know the secret torments that fill my heart with agony, while I am seated on the throne of hell receiving their adorations. My crown and sceptre elevating me above them in rank make my height of misery so much greater than theirs.

3. Write a précis of the following correspondence :

SIRS,—

VALLEYVILLE, Nov. 2, 1887.

We are instructed by our clients, residents and ratepayers of the township of Hamboro, to inform you that the toll-gate recently erected by you at the west end of Lark street in the city of Burlington, is to them a cause of much annoyance and expense, without furnishing them any adequate return. The

road is rough and badly cared for (being in parts frequently covered with water). Moreover, the said toll-gate being situated within the limits of the said City of Burlington has been placed there contrary to law and proper authority. Our clients therefore respectfully request that the gate aforesaid be removed, or the collection of tolls discontinued.

Yours truly,

Messrs. Slow & Sure,
Burlington.

SHARPE & SWIFT.
Barristers, etc.

BURLINGTON, Nov. 5th, 1887.

SIRS,—

We beg leave to acknowledge the receipt of your favor dated the 2nd of November instant, intimating that certain residents and ratepayers of the township of Hamboro had entered a complaint against the existence of our toll-gate on Lark street in this city, and requested its removal or discontinuance. In reply we take the liberty of informing you that the road on which the said toll-gate stands was constructed by us at considerable cost, that it is kept in as good state of repair as the nature of the land in the locality will permit, and that before we erected the gate aforesaid we duly obtained the consent of the authorities of the City of Burlington. Therefore, we hereby announce our determination neither to remove the toll-gate nor to cease collecting tolls thereat.

Yours truly,

Messrs. Sharpe & Swift,
Valleyville.

SLOW & SURE,
Barristers, etc.

VALLEYVILLE, Nov. 8th, 1887.

SIRS,—

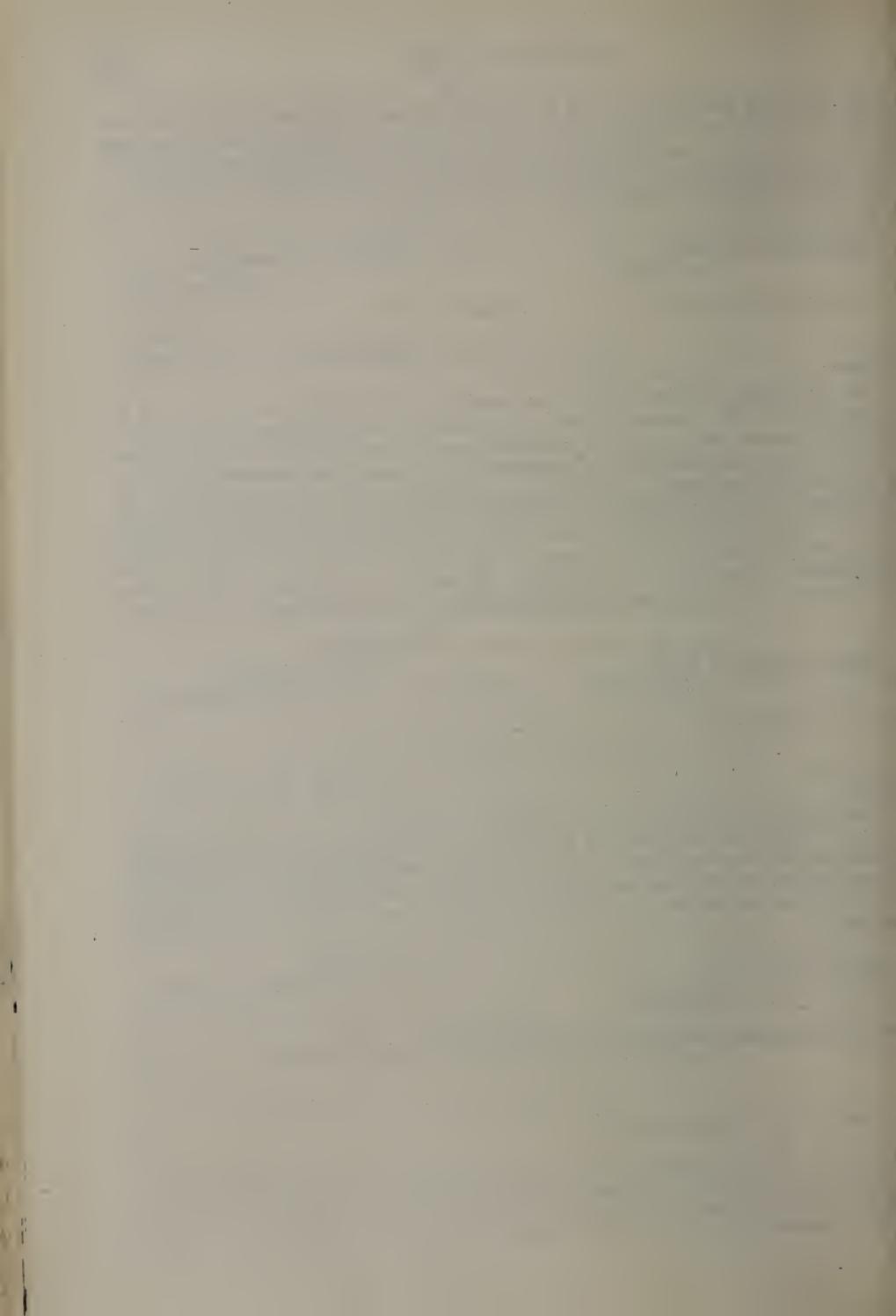
Your favor of the 5th instant, declining to comply with our clients request either to remove the toll-gate on Lark street in Burlington City or discontinue collections at same, has been received. In reply we are authorized to state that unless the said request be complied with within one month from the date of this notice our clients shall positively decline to pay further tolls at the gate aforesaid.

Yours truly,

Messrs. Slow & Sure,
Burlington.

SHARPE & SWIFT.

4. Make an index in proper form for the three foregoing letters.



APPENDIX.

Entered according to Act of the Parliament of Canada, in the year one thousand eight hundred
and ninety-six, by THE COPP, CLARK COMPANY, LIMITED, Toronto, Ontario, in the Office of
the Minister of Agriculture.

APPENDIX.

CHAPTER I.

EXERCISES.

Each of the following Exercises forms a complete set. They are intended to serve two purposes. (1) To furnish new material suitable for the use of those who do not intend to take a special course in the subject. (2) To serve as an introduction to the series of somewhat lengthy sets given in succeeding chapters. The advantage of requiring the beginner to work out for himself short sets, through which he can see his way clearly from beginning to end is well known to every practical teacher of book-keeping.

Generally speaking, it is well for the beginner to perform each exercise twice. In the first case stress will be laid on securing a grasp of the principles involved; in the second, special attention will be given to form. If an exercise is to produce the best results educationally, both *thought* and *expression* must receive due consideration. The pupil should be required not only to solve a mathematical problem (for book-keeping is nothing more or less than mathematics applied to business transactions) but also to form the habit of accuracy, neatness and orderliness. Few school subjects are so eminently practical as book-keeping. It stimulates thought, it teaches systematic arrangement of thought, it brings the pupil into close contact with the business relations of life, and it trains him to apply his knowledge to every-day affairs.

EXERCISE I.

June 3, 1895.

Commenced business with cash on hand, \$500. Deposited in bank cash, \$200.

4. Bought goods of Jas. Pedley on acct., \$160.
5. Sold goods to J. C. Fraser on acct., \$30. Paid cash for Postage and Stationery, \$1.50.
6. Bought goods of Jas. Turnbull, \$65. Gave in part payment my note, \$30.
7. Paid Jas. Pedley per cheque, \$20.
8. Sold M. K. Green, goods on acct., \$50.
10. Paid for Coal Oil, per cheque, \$1.20.
11. Sold goods to Peter Walker, \$38. Received in part payment his note for \$20.
12. Bought of Swanson & Co. goods per cheque, \$35.

13. Deposited in bank cash, \$50. J. C. Fraser paid on acct., per cheque, \$12.
14. Paid for repairs cash, \$2.60. M. K. Green paid cash on acct., \$25.
15. Sold my entire stock of goods for cash, \$160.80. Paid A. C. Muir half a month's rent with cash, \$10.
 - (a) Make Day Book entries.
 - (b) Post directly from the Day Book.
 - (c) State the purpose of each account.
 - (d) In what different ways may the Net Gain be found? Illustrate by reference to the Ledger.
 - (e) Close the accounts.

Result—Net Gain, \$3.50. Net Worth, \$503.50.

EXERCISE II.

— Jan. 2, 1896.

Commenced business with cash on hand, \$600.

Bought of H. H. Scott on my note at 10 days, goods as per invoice, \$560.

4. Sold J. H. Wismer on acct., 25 lbs. Tea at 40c.; 20 lbs. Coffee at 50c. Paid cash for Fuel, \$6.20.
6. Sold C. Holman for cash, 2 bbls. Flour at \$3.50.
7. Deposited in bank, cash, \$300. Paid cash for Advertising, \$2.20.
9. Sold A. H. Longman on his note at 10 days, 5 bbls. Apples at \$2.50; 60 lbs. Ham at 12c. Paid cash for Stationery, \$1.25.
11. J. H. Wismer paid on acct., per cheque, \$10. Bought of C. A. Hamilton on acct., 300 bush. Potatoes at 25c.
13. Paid cash for Telegram, 75c. Sold C. H. Smith, 10 bbls. Apples at \$2.75; 100 bush. Potatoes at 28c. Received in part payment his cheque for \$30.
14. Paid C. A. Hamilton on acct., cash, \$37.50. Sold E. P. Shaler on his note at 30 days, 30 lbs. Tea at 40c.; 108 lbs. Ham at 13c.
15. Paid clerk's salary, per cheque, \$15. Paid rent, per cheque, \$14.20. Sold my entire stock of goods for cash, \$545. Paid my note favor of H. H. Scott with cash, \$560.
 - (a) Make entries in Day Book, writing bills of goods as they occur.
 - (b) Transfer to Ledger, indexing each entry.
 - (c) Test the correctness of Ledger and make statements.
 - (d) Close the Ledger.

Result—Net Loss, \$1.36. Net Worth, \$598.64.

EXERCISE III.

— August 15, 1895.

Invested in business cash, \$650. Bought of Hamilton & Co., Toronto, for cash, goods as per invoice, \$300.

16. Sold J. C. Miller on acct., 25 bush. Potatoes at 22c.; 6 bbls. Apples at \$2.15; 130 lbs. Oatmeal at 5c. Cash sales, \$24.20.

17. Bought of A. F. Ponton, Toronto, on acct., goods as per invoice, \$120. Deposited in the Bank of Montreal, cash, \$200. Cash sales, \$29.30.
19. Paid cash for Coal Oil, \$2.20. Sold H. P. Hooper, on acct., 25 lbs. Sugar at 5c.; 3 bbls. Apples at \$2.10; 5 sacks Flour at \$1.75; 75 lbs. Codfish at 8c. Cash sales, \$25.75.
22. J. C. Miller paid on acct., per cheque, \$15. Paid for Telegram, cash, 25c. Paid for Stationery per cheque, \$2.25. Withdrew from business, cash, \$10. Cash sales, \$32.70.
26. H. P. Hooper paid cash on acct., \$5.50. Cash sales, \$29.80.
28. Sold J. D. Watts on acct., 35 sacks Flour at \$1.80. Paid A. F. Ponton on acct., cash \$60. Cash sales, \$22.36.
30. Deposited in bank, cash \$36. Sold A. M. Hanby on acct., 16 bush. Potatoes at 23c. Cash sales, \$13.25.
31. Sold my entire stock of goods for cash, \$159.66. Paid cash for delivering goods \$1.20. Paid rent per cheque, \$12.50.

(a) Make Day Book entries, writing bills of goods as they occur.
 (b) Transfer to Ledger.
 (c) Make Trial Balance and Statements.
 (d) Close the accounts and bring down the balances.
 Result—Net Gain, \$12.50. Net Worth, \$652.50.

EXERCISE IV.

— Jan. 20, 1896.

Commenced business, investing as follows: Cash on hand, \$250; Cash on deposit in the Bank of Commerce, \$400; Mdse. in store, \$320; P. C. Culver owes me on acct., \$35; James Scott owes me on acct., \$13.60; I owe C. P. Garratt on acct., \$29.60; I owe A. K. Muir on acct., \$24.20.

21. Sold David Robb on acct., 4 French Bedsteads at \$25; 2 Oak Extension Tables at \$17.50. Paid C. P. Garratt, on acct., per cheque, \$19.60. Paid for Coal per cheque, \$7.60.
22. James Scott settled his acct., per cheque, \$—. Bought of Walker & Sons, on acct., Mdse. as per invoice, \$65. Paid cash for Postage, 65c. Sold C. L. Macpherson on his note at 2 months, payable at the Bank of Commerce, 5 Centre Tables at \$15.
23. Bought of Morrison & McKay at 65c. on the dollar, their entire stock of goods invoiced at \$400. Gave in payment C. L. Macpherson's note as per B.B., my own note at 30 days payable at the Imperial Bank for \$120, and cash for balance, \$—.
25. David Robb paid on acct., per cheque, \$65, which was immediately deposited in bank. Withdrew for private use, cash, \$25.
27. Sold Hiram Ashley on his note at 15 days, payable at the Bank of Commerce, 2 doz. chairs at \$15 per doz. Paid cash for Advertising, \$1.25.

29. Paid A. K. Muir on acct., cash \$14.20. Sold C. P. Garratt on acct., 2 Easy Chairs at \$8.75.
 30. Paid Walker & Sons on acct., per cheque, \$35. Withdrawn for private use, cash \$15.
 31. David Robb paid balance of acct., per cheque on the Imperial Bank, \$—. Paid clerk's salary with cash, \$20.

Inventories, Jan. 31.—Mdse. on hand, \$424.40 ; Fuel on hand, \$2.60.
 (a) Make entries in Journal Day Book. Write notes as they occur.
 Write David Robb's cheque dated Jan. 31.
 (b) Transfer to Ledger.
 (c) Make Trial Balance and Financial Statement.
 (d) Close the Ledger and bring down the balances.
 Result—Net Gain, \$10. Net Worth, \$934.80.

EXERCISE V.

— April 1, 1896.

Commenced business, investing as follows : Cash on hand, \$500 ; goods in store, \$600 ; fuel on hand, \$13.

2. Bought for cash a horse and delivery waggon, \$120. Deposited in the Bank of Montreal, cash \$300. Cash sales, \$25.50.
4. Sold C. S. Fraser on his note at 10 days, 20 sacks Flour at \$1.75 ; 30 bush. Potatoes at 25c.; 50 lbs. S.C. Ham at 12c.; \$—. Cash sales, \$30.
6. Bought Stationery, per cheque, \$1.20. Paid for Advertising, cash, \$1.60. Cash sales, \$28.70.
7. Sold M. C. Russell on acct., 25 lbs. Rolled Oats at 5c.; 2 bbls. Apples at \$3.25 ; \$—. Cash sales, \$17.90.
8. Bought of Welsh & Co., Toronto, goods as per invoice No. —, \$200. Remitted in payment a bank draft purchased per cheque. (Exchange $\frac{1}{8}\%$.) Cash sales, \$35.75.
9. Bought of James Lawson for cash, 100 bush. Potatoes at 20c. Cash sales, \$29.30.
10. C. S. Fraser prepaid his note. Discount allowed, 25c. Proceeds deposited, \$—. Cash sales, \$35.60.
11. Sold horse and waggon for cash, \$130. Cash sales, \$39.70.
13. Bought of Leslie & Co. on my note at 30 days, payable at the Bank of Commerce, an Office Desk, \$60. Cash sales, \$19.40.
14. Sold A. A. Caskey 100 lbs. S. C. Ham at 12c.; 20 lbs. Gran. Sugar at 5c.; \$—. Received in payment his note at 2 months, payable at the Bank of Montreal. Cash sales, \$22.65.
15. Sold out my entire stock of goods for cash, \$580.45. Sold M. C. Russell Office Desk for \$57.50, and Fuel for \$4.60. Received his note at one month, payable at the Bank of Montreal to close account, \$—.

(a) Make proper Journal, Cash Book and Bill Book entries. Write business papers. (Cash Book to have a special column for mdse. sales.)

- (b) Post from Journal and Cash Book, indexing each entry.
- (c) Make Trial Balance and Financial Statement.
- (d) Close the Ledger, and bring down the balances.

Result—Net Gain, \$110.00. Net Worth, \$1,223.00.

EXERCISE VI.

— — — April 15, 1896.

Commenced business, investing as follows: Cash on deposit in the Bank of Commerce, \$1000. Goods in store, \$600. Rent for $\frac{1}{2}$ month paid in advance, \$16. Office Furniture on hand, \$40. I owe C. H. Laidlaw, on acct., \$25.

16. Bought of Turner & Sons, Toronto, goods as per invoice No.—, \$160. Remitted in payment a draft purchased per cheque. Exchange 25c. Paid freight per cheque, \$10. Cash sales, \$42.30.
17. Sold C. H. Laidlaw on acct., 15 yds. Can. Tweed, at \$1.20; 5 yds. Velvet at \$1.70. Deposited in bank cash, \$20. Paid cash for Stationery, \$2.10. Cash sales, \$38.75.
18. Sold M. Langham 100 yds. 8/4 Sheeting at 30c.; 25 yds. Farmer's Satin at 50c. Received in payment an order on A. H. Wilson, which Mr. Wilson accepts. Cash sales, \$19.90.
21. Deposited in bank cash, \$25. Paid cash for Coal Oil, \$1.20. Cash sales, \$25.65.
22. Lent K. L. Gibson cash, \$15. Gave General Hospital per cheque \$7.50. Cash sales, \$32.90.
24. Bought of Caldwell & Co., Hamilton, on my acceptance at 30 days payable at the Bank of Montreal, goods as per invoice No.—, \$80. Paid freight per cheque, \$2.30. Cash sales, \$25.
25. A. H. Wilson settled his acct. in full with his note at 10 days payable at the Bank of Commerce. Cash sales, \$42.60.
27. Sold S. W. Perry, 120 yds. Eng. Tweed at \$1.40. Received in payment his cheque on the Bank of Ottawa for \$100, the balance on acct. Cash sales, \$19.75.
29. Deposited in bank cash, \$30. Paid cash for delivering goods, \$1.20. Cash sales, \$27.85.
30. Paid clerk's salary per cheque, \$30.
Inventories, April 30.—Goods on hand, \$367.85; Office Furniture on hand, \$38.50.
 - (a) Make the proper Journal, Cash Book and Bill Book entries as they occur, and write all the business papers required. (Cash Book to have a special column for Mdse. Sales.)
 - (b) Post from the Journal and Cash Book, indexing each entry.
 - (c) Test the equilibrium of the Ledger and make Financial Statement.
 - (d) Close the Ledger and bring down the balances.

Result—Net Loss, \$25. Net Capital, \$1631.

EXERCISE VII.

— — — March 2, 1896.

Invested in business, cash, \$3400.

3. Paid cash for Office Books, \$12.50, for Fuel, \$6.75, and for Coal Oil, \$2.75. Deposited in the Bank of Ottawa, \$1400.
5. Discounted, per cheque, Chas. Fletcher's note for \$182.50 favor of S. S. Buckingham, dated Sept. 17, 1895, at 6 months, payable at the Bank of Commerce. The note bears interest at 6 %. Rate of discount, 9 %.
6. Lent C. H. Murray on his note at 6 months, bearing interest at 8 %, cash, \$730. Sold for A. McKerchar, on a commission of 4 %, his House and Lot for \$7600. Remitted to him a draft purchased with his net proceeds. Exchange $\frac{1}{8}$ %.
7. Discounted John Abell's draft for \$328.50 on Cooper & Smith, dated Jan. 2, 1896, at 5 months. Proceeds paid with cash. Rate of discount, 10 %. Purchased for Cameron & Dunn, on a commission of 3 %, a Farm for \$3000. I advanced for them, cash, \$600. Paid fees and charges, per cheque, \$25.
9. Discounted at 10 % B. M. Cooper's note for \$146 favor of James Jones, dated Jan. 16, 1896, at 12 months. The note bears interest at 7 %. Proceeds paid with cash, \$—.
10. Cameron & Dunn remitted a sight draft on A. H. Smith for \$350, and their note at 30 days bearing interest at 8 %, to close acct. Paid cash for Stationery, \$1.75.
11. Bought of A. A. Raymer, for cash, a Town Lot at \$650. Paid fees and charges, per cheque, \$10.
12. Discounted, per cheque, at 8 %, A. L. Scott's note at 6 months for \$146, dated Feb. 5, 1896, payable at the Bank of Montreal.
16. Sold for A. H. McKay, on a commission of 3 %, 100 tons of Hay at \$12. Paid cash for Advertising the same, \$6.40. Remitted draft purchased with net proceeds, \$—.
18. C. H. Murray prepaid his note, as per B. B., with his sight draft on H. A. Lane. Rate of discount, 6 %.
20. Chas. Fletcher settled for his note, as per B.B., by paying cash, \$100, and giving his own note at 30 days, bearing interest at 10 %, for balance.
23. Discounted, per cheque, at 10 %, James Fisher's draft for \$219 on Wm. Marrs, dated Feb. 27, 1896, at 6 months.
24. Sold Bole & Co. Town Lot purchased from A. A. Raymer, at \$800. Received in payment a sight draft on Merrick & Sons for \$508, and their note at 30 days, bearing interest at 7 %, for balance. Paid fees and charges, per cheque, \$15.
31. Discounted Chas. Fletcher's note, as per B. B., at 8 %. Proceeds deposited.

Inventory, March 31, 1896. Interest accrued, \$—.

(a) Make Journal entries. In addition to the "Sundries" column the Journal should have special columns for Cash, Bills Rec., and Int. & Dis. Why?

(b) Write notes and drafts as they occur, endorsing them for the parties concerned when necessary.

(c) Post to the Ledger. Make Trial Balance and close accounts.

Result—Net Gain, \$570.22. Net Worth, \$3970.22.

EXERCISE VIII.

May 4, 1896.

Commenced business with the following resources and liabilities.

Resources—Cash on hand, \$1200; Mdse. in store, \$2000; T. A. Walsh's note favor of C. C. Smith, dated Feb. 21, 1896, at 4 months, payable at the Bank of Commerce, and bearing interest at 10 %. Face, \$240. Interest accrued, \$—. *Liabilities*—I owe W. H. Drummond on acct., \$120. Deposited in the Bank of Toronto, cash, \$700.

6. Bought of Farren & Co., Hamilton, on my acceptance at 2 months, payable at the Bank of Toronto, goods as per invoice, \$365. Paid freight with cash, \$14.20. Paid cash for petty expenses, \$3.45.
8. Sold H. C. White on his note at 2 months, 500 bush. Wheat at 48c.; 300 bush. Oats at 20c. T. A. Walsh prepaid his note, as per B.B., per cheque. Rate of discount, 8 %. Paid cash for petty expenses, \$1.25.
9. Shipped to Milligan & Sons, London, for sale on my account and risk, goods invoiced at \$600. Paid shipping expenses, per cheque, \$10.60. Cash sales for the week, \$230.30. Paid cash for petty expenses, \$3.
14. Shipped to Anderson & Sons, Hamilton, on my acct. and risk, goods as per invoice, \$500. Paid shipping expenses, per cheque, \$13.60. Paid cash for petty expenses, \$2.90.
16. Prepaid, per cheque, my acceptance favor of Farren & Co., as per B.B. Rate of discount, 10 %. Paid petty expenses with cash, \$6.20. Cash sales for the week, \$136.30.
19. Milligan & Sons rendered an acct. sales of shipment. My net proceeds, \$625.60. They remitted Hooper & Wilson's acceptance due to-day for \$425, and their own note at 30 days, bearing interest at 10 %, for balance. Hooper & Wilson paid their acceptance with cash, which was deposited in bank. Paid cash for petty expenses, \$1.75.
21. Anderson & Sons rendered an acct. sales of my shipment to them of the 14th inst. My net proceeds, \$507.60. They remitted in part payment a sight draft on F. C. Darlington for \$400. Paid cash for petty expenses, \$3.70.

23. Bought of Farren & Co., Hamilton, on my acceptance at 2 months, payable at the Bank of Toronto, goods as per invoice, \$428. Cash sales for the week, \$225. Paid cash for petty expenses, \$4.
27. Shipped to Anderson & Sons, on my account and risk, goods invoiced at \$385, which I purchased from A. A. Baker on my note at 30 days, payable at the Bank of Commerce. Paid shipping expenses, per cheque, \$13.65.
30. H. C. White prepaid his note, as per B. B. Rate of discount, 8 %. Proceeds deposited. Cash sales for week, \$129.30. Paid cash for petty expenses, \$12.65.

Inventories, May 31, 1896. Mdse. on hand, \$742.11. Shipment to Anderson & Sons, \$—. Interest accrued, \$—.

(a) Make entries in Journal, having special columns for Mdse., Cash, Bills Receivable, Bills Payable, Interest & Discount, and Expense. Write notes as they occur.

(b) Transfer to Ledger.

(c) Make Trial Balance, Financial Statement, and close the accounts. Bring down balances.

Result—Net Gain, \$30. Net Worth, \$3354.80.

CHAPTER II.

SET I.—DRY GOODS BUSINESS.

*Books used—Day Book, Cash Book, Bill Book, and Ledger.**

TRANSACTIONS.

— July 2, 1895.

(Student's name here) has this day commenced the Dry Goods business on _____ Street, No. —, investing as follows:

Resources—Cash, \$1200. Mdse., \$900. William Taylor's acceptance for \$300, dated June 4, 1895, at 30 days, and payable at the Bank of Commerce. H. L. Ducker owes on acct., \$90. A. S. Walsh owes on acct., \$110. M. H. Cann owes on acct., \$27.50.

Liabilities—My note in favor of A. A. Harper for \$109.50, dated Feb. 7, 1895, at 5 months, bearing interest at 7%. Interest accrued, \$—. I owe A. B. Hart on acct., \$50.

2. Deposited in the Bank of Commerce, cash, \$1000. Paid cash for Stationery, \$4.20, and for Office Books, \$6.50. Cash sales, \$10.20.
3. Bought of Stovel & Co., Hamilton, on my acceptance at 10 days, goods as per invoice No. —, \$300. Paid freight with cash, \$6.20. Took goods from store on private acct., \$10.50. Settled my acct. with A. B. Hart by giving my note at 30 days payable at the Bank of Commerce, \$—. Sold G. W. Irving on acct., 15 yds. Can. Tweed, at \$1.30; 10 yds. Brown Beaver Cloaking, at \$2.50; 10 yds. Novelty Cloaking at \$1.40; 25 yds. Crash Towelling at 20c., \$—. Cash sales, \$26.50.
4. Sold L. C. Fraser, 15 yds. Scotch Tweed, at \$1.40; 20 yds. West of Eng. Tweed, at \$1.50; 2 pcs. Eng. Flannel, 40 yds., 45 yds. at 50c.; 30 yds. Fr. El. Canvas, at 20c.; 50 yds. Oxford Shirting, at 30c.; \$—. Received in payment J. A. Brown's note for \$52, dated May 17, 1895, at 2 months, payable at the Bank of Ottawa; L. C. Fraser's note at 30 days for \$50, payable at the Bank of Commerce, and cash for balance, \$—. Cash sales, \$30.
5. Bought of Hine & Farren, Toronto, goods as per invoice No. —, \$200. Gave in payment my acceptance at 15 days, payable at the Bank of Commerce for \$120, and cash for balance, \$—. Took goods from store for private use, \$7.50. Paid cash for repairs, \$4.20. Cash sales, \$60.40.

* Instructions as to keeping books by Single Entry are given in Chapter VIII.

6. Deposited in bank cash, \$100. Retired William Taylor's acceptance as per B. B. on receipt of cash, \$154 and a new note at one month, bearing interest at 8% for balance, \$—. Cash sales, \$49.65.
8. Engaged C. P. Stewart as book-keeper at \$40 for the remainder of the month. Paid cash for delivering goods, 40c. Sold N. C. Burwash, on acct., 50 yds. Grey Cotton, at 7c.; 20 yds. 8/4 Sheeting, at 20c.; 50 yds. Damask, at 40c.; 40 yds. Silk Velvet, at \$1.50; 30 yds. Black Silk, at \$1.00; \$—. Cash sales, \$50.30.
9. Sold J. C. Campbell 2 pcs. Black Silk, 40 yds., 42 yds. at \$1.20; 3 pcs. Cambric Lining, 40 yds. each, at 11c.; \$—. Received in payment a sight draft on A. H. Murray, for \$20; and Mr. Campbell's note at 2 months, payable at the Bank of Commerce, for balance, \$—. Took goods from store for private use, \$2.50. Gave to the General Hospital \$10, per cheque. Paid cash for delivering goods, 20c. Cash sales, \$48.75.
10. Bought of Sutherland & Co., Montreal, goods as per invoice No. —, \$240. Remitted in full payment a bank draft purchased per cheque (Exchange $\frac{1}{8}\%$). Paid freight per cheque, \$5.20. Paid Albert Jones for repairs with goods from store, \$8.60. Paid my note in favor of A. A. Harper, with interest, per cheque, \$—. Cash sales, \$60.20.
11. Bought of H. H. Cavers for private use, 50 cords of wood, at \$1.10. Gave in part payment cash, taken from till, \$25. Sold M. C. Kerr on his note at 30 days, payable at the Bank of Commerce, 3 pcs. Black Cashmere, 44 yds., 45 yds., 46 yds., at 90c.; \$—. Sold J. H. Williams for his sight draft on K. J. Wilson, 25 yds. Black Beaver, at \$3; 2 pcs. Tweed Dress Goods, 30 yds., 34 yds. at 80c.; \$—. Paid C. P. Stewart on acct. of salary, per cheque, \$10. Cash sales, \$29.30.
12. K. J. Wilson refused to honor J. H. Williams' draft, and it was returned. J. H. Williams paid cash \$53.20, and gave his note at 30 days, bearing interest at 8%, for balance, \$—. Deposited in bank cash, \$240. Cash sales, \$60.40.
13. Bought of L. C. Doolittle at 60c. on the dollar, his whole stock as per Inventory \$1000, assuming the following debts payable:—L. C. Gilroy's acct., \$200; C. B. Harland's acct., \$150; Muir & Co's acct., \$60; L. C. Doolittle's note for \$100, favor of A. H. Hood, due 10 days hence, for which I accepted Mr. Hood's draft at 10 days, payable at the Bank of Commerce. Paid L. C. Doolittle the balance due him per cheque, \$90. Cash sales, \$65.70.
15. Sold M. H. Cann on acct., 25 yds. Scotch Tweed, at \$1.40; 40 yds. Black Astrachan Cloaking, at \$2.50; 3 Brown Beaver Overcoats, at \$25; \$—. H. L. Ducker paid cash on acct., \$40. Paid for removing goods purchased from L. C. Doolittle, cash, \$25. Cash sales, \$45.90.

16. Paid per cheque my acceptance favor of Stovel & Co., as per B. B., \$—. Sold A. B. Hart on acct., 150 yds. French Flannel, at 35c.; 100 yds. English Tweed, at \$1.50; \$—. A. S. Walsh paid on acct., per cheque, \$60. Took goods for private use, \$16.20. Cash sales, \$48.15.
17. Paid L. C. Gilroy on acct., cash, \$50. Gave C. B. Harland, in part payment of acct., an order on A. S. Walsh for \$50. Cash sales, \$49.50.
18. Received from M. H. Cann on acct., his sight draft on Andrew Blythe for \$150. Paid cash for stationery, \$4.60. Cash sales, \$72.25.
19. Sold Amos Blackwell on acct., 3 pcs. 12/4 Sheeting, 42 yds., 45 yds., 48 yds., at 50c.; 25 yds. Hf. Bl. Table Linen, at 40c.; \$—. H. L. Ducker paid on acct., cash, \$30. Cash sales, \$49.50.
20. J. A. Brown paid per cheque his note due this day as per B. B., \$—. Settled my acct. with Muir & Co. by giving my note at one month payable at the Bank of Commerce, \$—. Cash sales, \$58.65.
22. Bought of Stovel & Co., Hamilton, on my acceptance at 30 days, goods as per invoice, No. —, \$200. Paid freight per cheque, \$2. Paid C. P. Stewart on acct. of salary per cheque, \$5. A. B. Hart paid on acct. per cheque, \$100. Cash sales, \$70.20.
23. Deposited in bank, cash, \$300. G. W. Irving paid on acct. cash, \$40. Sold C. C. Furner for his sight draft on Hugh McBain, 3 Scotch Tweed Suits at \$26.50 each; \$—. Purchased from Hall & Co. for cash, a safe for office, \$120. Paid with cash my acceptance favor of Hine & Farren as per B. B., \$—. Cash sales, \$75.60.
24. Bought of Miller & Son, Montreal, goods as per invoice No. —, \$320. Remitted in full payment a bank draft purchased per cheque, \$—. Paid freight per cheque, \$4.20. Paid for cleaning store cash, \$1.20. Cash sales, \$55.30.
25. Withdrew for private use, per cheque, \$30. Amos Blackwell paid on acct., per cheque, \$50. Sold C. P. Stewart a suit of clothes, \$18.50. Cash sales, \$49.60.
26. Paid my acceptance favor of A. H. Hood as per B. B. with cash, \$—. Sold M. H. Cameron, on his note at 15 days, 90 yds. Broadcloth at \$1.80; 75 yds. Nap Cloaking at \$1.60; \$—. Paid for advertising per cheque, \$4.60. Cash sales, \$29.30.
27. H. L. Ducker paid his acct. in full per cheque, \$—. Sold C. B. Harland on acct., 50 yds. Black Lustre, at 55c.; 100 yds. Black Nun's Veiling, at 45c.; \$—. Paid cash for coal oil, \$1.30. Cash sales, \$84.25.
29. Bought of Hine & Farren, Toronto, for cash, goods as per invoice No. —, \$176. Cash sales, \$47.80.
30. Received from M. H. Cann in full payment of his acct., his note at 70 days, which was immediately discounted at 8%. Proceeds deposited, \$—. Cash sales, \$59.20.

31. Deposited in bank, cash, \$500. Paid C. P. Stewart the balance of month's salary due him per cheque, \$—. Cash sales, \$49.70.

Inventories, July 31, 1895.

Merchandise.....	\$239 10
Office Furniture	120 00
Int. and Dis. (Interest accrued).....	
Total.....	\$

Net Gain, \$—. Net Worth, \$—.

The transactions for the month of July are to be written up by Single Entry according to the directions given in Chapter VIII., pp. 121-131. As the books are to be kept by Double Entry during the month of August, an inventory must be taken at the end of July. See p. 135.

It is quite unnecessary to close the accounts in the Ledger, as no change in the form of the books is required. After the new accounts are opened the Ledger should balance. The student should distinguish between testing the equilibrium of the ledger and *closing* it. See page 59.

SET I.—Continued.

Books used—Journal, Cash Book, Bill Book and Ledger.

TRANSACTIONS.

— *August 3, 1895.* —

Re-engaged C. P. Stewart as book-keeper at \$60 per month. Engaged Albert Cummings as clerk at \$35 per month. Bought of Hine & Farren, Toronto, goods as per invoice No. —, \$500. Gave in payment, cash \$200 and my acceptance at 10 days payable at the Bank of Ottawa for balance, \$—. Cash sales, \$45.70.

5. Paid my note favor of A. B. Hart as per B. B. per cheque, \$—. Paid cash for repairs, \$5.60. Cash sales, \$70.10.
5. Bought of Stovel & Co., Hamilton, goods as per invoice No. —, \$600 (5% off). Remitted in full payment a draft for which I issued a cheque. Exchange $\frac{1}{8}\%$. Paid freight per cheque, \$7.20. L. C. Fraser paid his note per cheque, which was deposited, \$—. Cash sales, \$48.65.
7. Sold James Miller on acct., 20 yds. English Tweed at \$1.20, 50 yds. Novelty Cloaking at \$1.40, \$—. Cash sales, \$64.80.
8. Paid cash for stationery and postage, \$1.60. Withdrew for private use, cash, \$25. Cash sales, \$49.75.
9. William Taylor paid with cash his note as per B. B. Face, \$—. Interest, \$—. Cash sales, \$75.20.
10. Bought of L. C. Gilroy a horse at \$80, a wagon at \$60, and a set of

harness at \$20. Gave him my cheque to close acct., \$310. Amos Blackwell paid on acct., cash, \$10. Cash sales, \$75.60.

12. N. C. Burwash closed his acct. by giving an order on C. B. Harland for \$27.50 which was accepted, and his note at 10 days for balance, \$—. Paid cash for coal oil, \$2.40. J. C. Campbell prepaid his note as per B.B. Discount allowed, 60c. Proceeds deposited, \$—. Cash sales, \$48.25.

13. Bought of Eaton & Sons, Toronto, on my acceptance at 10 days, goods as per invoice No. —, \$320. Retired M. C. Kerr's note as per B. B. on receiving cash, \$61.50, and a new note at 30 days bearing interest at 8%, for balance of old note, \$—. M. H. Cameron requested me to hold his note for 6 days, agreeing to pay interest at 10%, which was granted. Cash sales, \$65.70.

14. J. H. Williams remitted his cheque in payment of his note, with interest, as per B. B., \$—. Amos Blackwell paid on acct. cash, \$10. Cash sales, \$49.60.

15. Sold P. S. Somerville on his note at 30 days, 3 pcs. Scotch Tweed, 40 yds. at \$1.25, 42 yds. at \$1.20, 44 yds. at \$1.10, \$—. Deposited in bank, cash, \$200. Cash sales, \$64.25.

16. A. B. Hart paid on acct. cash, \$60. Bought of Cooper & Hanson, at 65c. on the dollar, their entire stock invoiced at \$800. Gave in payment cash \$200, and my note at 30 days for balance, \$—. Paid for removing goods to store cash, \$7.50. Paid my acceptance favor of Hine & Farren, Toronto, per cheque, \$—. Cash sales, \$54.25.

17. Paid cash for office desk, \$32. Cash sales, \$79.85.

19. Received cash in payment of M. H. Cameron's note with interest, as per B. B., \$—. Cash sales, \$62.65.

20. Sold C. B. Harland on acct., 15 yds. Scotch Tweed at \$1.25; 100 yds. Hf. Bl. Table Linen at 35c.; \$—. Paid C. P. Stewart on acct. of salary cash, \$20. James Miller paid on acct. cash, \$34. Cash sales, \$49.25.

21. P. S. Somerville prepaid his note as per B. B. with his cheque on the Merchants Bank. Discount allowed, 80c. Sold A. C. Harrison on his note at one month, 2 Brown Beaver Overcoats at \$23.50; 25 yds. English Tweed at \$1.40; 15 yds. 12/4 Sheetng at 50c., \$—. Cash sales, \$62.70.

23. Paid my note favor of Muir & Co., due this day with cash, \$—. Deposited in bank cash, \$400. Cash sales, \$39.85.

24. Paid my acceptance favor of Stovel & Co., due this day per cheque, \$—. Paid Albert Cummings on acct. of wages cash, \$10. Cash sales, \$49.60.

26. Bought of Harvey, Briggs & Co., Montreal, on my acceptance at 30 days, goods as per invoice No.—, \$575.50. Paid freight with cash, \$10.75. N. C. Burwash paid his note as per B. B. with

cash, \$—. Paid my acceptance favor of Eaton & Sons, Toronto, per cheque, \$—. Cash sales, \$62.90.

27. Sold my horse to John Jones for \$70, and purchased from him another for \$80. Cash sales, \$59.20.

28. Sold J. G. Gibson on acct., 25 yds. Black Lustre at 56c.; 12 yds. Tweed Dress Goods at 75c.; 3 White Dress Shirts at \$1.25; 3 doz. Linen Collars at \$1.80; 5 Silk Neckties at 35c.; \$—. Deposited cash, \$350. Cash sales, \$60.30.

29. G. W. Irving settled his acct. by giving his note at one month, payable at the Bank of Commerce, \$—. Cash sales, \$72.25.

30. Sold James Scott, Jr., on acct., 50 yds. Can. Flannel at 30c.; 3 pcs. Scotch Tweed, 32 yds. each, at \$1.10; 25 yds. Black Cashmere at 62c.; \$—. Cash sales, \$65.75.

31. Paid C. P. Stewart balance of salary for the month per cheque, \$—. Paid Albert Cummings balance due him for the month per cheque, \$25. Paid cash for delivering goods, \$1.60. Sold horse, harness and wagon for cash, \$150. Cash sales, \$80.10.

Inventories, Aug. 31, 1895.

Merchandise.....	\$860 00
Office Furniture.....	152 00
Int. and Dis. (Interest accrued).....	—
Total.....	\$

Net Loss, \$—. Net Worth, \$—.

For the month of August the books are to be kept by Double Entry. All of the transactions will be put through the Journal Day Book, as shown on page 65. The Cash Book and the Bill Book will be used as auxiliaries.

At the end of the month, after testing the equilibrium of the Ledger, the student will close the books and make statements in proper form.

NOTE.—The student is expected to write correspondence, notes, drafts, cheques, etc. When the Set is completed, he should state clearly, referring to the work actually done, (i) the difference between Single and Double Entry Bookkeeping, (ii) the merits and defects of each. He should also—after the Set is thoroughly understood, but not before—endeavor to discover a less laborious or more practical method of obtaining the required results. (It is, of course, assumed that the student has already an elementary knowledge of the subject.)

SET II.

The transactions for Set II. are the same as for Set I.

For the month of July the books are to be kept by Double Entry, according to a practical method already described and illustrated. See Set VII., pp. 78-81. Instead of putting all the transactions through the Journal (Double Entry) as in Set I., two principal books are now used, viz., the Journal and the Cash Book, each having special columns. At the end of the month the books will be closed and statements will be made.

The work for the month of August is to be done by Single Entry, as described in Chapter VIII. The books will be closed at the end of the month and statements will be made.

NOTE.—When the student has completed Set II. he should state clearly, referring to his own work in each case (i) the fundamental difference between Single and Double Entry, (ii) the advantages of Double Entry over Single Entry, (iii) the difference between the methods (D.E.) adopted in Sets I. and II., (iv) the advantages of posting directly from more than one book, (v) the advantages of special money columns. This being done the student will be requested to suggest additional improvements that may be made in book-keeping. By this means he will become fully prepared to perform the practical sets which follow.

SET III.—EXPLANATIONS.

This is a Double Entry Set which presents the following special features:

(a) The business is carried on by a firm composed of two partners.
See Chap. VII

(b) The Journal has a special column for Mdse. Sales. The amount of sales of merchandise for the month will be posted in total directly to the Cr. side of the Merchandise Account in the Ledger. The form of Journal shown on page 79 will be adapted to the requirements of this set by eliminating the column for Mdse. Purchases.

(c) The Invoice Book is introduced as a principal book. The amount of purchases of merchandise for the month will be posted in total to the Dr. side of the merchandise account in the Ledger. See page 63.

(d) The Cash Book is used as a principal book. The form illustrated on pp. 80 and 81 will be found convenient. (See page 78.)

SET III.—GROCERY AND PROVISION BUSINESS.

PARTNERSHIP—TWO PARTNERS.

Books used—Journal, with a Special Column for Mdse. Sales, Cash Book, Invoice Book, Bill Book and Ledger, the first three as books of original entry.

TRANSACTIONS.

— — —, Sept. 2, 1895.

(Student's name here) and H. S. Harper have this day entered into a co-partnership to carry on a Retail Grocery and Provision Business at No. — — — Street, agreeing to share gains and losses according to investment. The business is to be conducted under the firm name of (Student's surname here) & Harper.

(Student's name here) investment :

Resources—Cash, \$2200. A. Cameron's note, due 10 days hence, for \$150.

J. H. May's acceptance for \$120, dated July 21, 1895, at 60 days, and payable at the Bank of Montreal. Geo. Watts owes on acct. \$100.

Liabilities.—Note in favor of Comstock & Co. for \$365, dated June 21, 1895, at 3 mos., bearing interest at 8%, and payable at the Bank of Montreal. Interest accrued on this note, \$—. Balance due to J. C. Ferguson on acct., \$37.25. Balance due to A. C. Jones on acct., \$57.65.

H. S. Harper's investment:

Resources.—Mdse., \$1800. Rent for month of Sept. paid in advance, \$40. Office Furniture on hand, \$50. Stationery on hand, \$5.65.

Liabilities.—Note in favor of Jas. A. Peters, dated May 1, 1895, at 5 mos., for \$125.

Engaged Herbert H. Williams, as clerk, at \$50 per month, and Amos Dagg, as errand boy, at \$10 per month.

Paid cash for repairing Office Furniture, \$1.25; for Lamps, \$4; for Coal Oil, \$2.50; for Fuel, \$8.50; for Advertising, \$5.75. Deposited in Bank of Montreal, \$1500. Bought of Sylvester & Co., Toronto, 5 bbls. Gran. Sugar, 300-20, 299-19, 318-21, 316-20, 318-21, at $4\frac{1}{2}$ c.; 3 bbls. Yellow Sugar, 340-20, 329-21, 342-20, at $3\frac{1}{2}$ c.; \$—. Gave in payment our cheque for \$68.50, and our acceptance at 10 days, payable at the Bank of Montreal, for balance, \$—. Sold Geo. Burton on acct., 15 lbs. Japan Tea at 45c.; 10 lbs. Coffee at 40c.; 60 lbs. Gran. Sugar at $5\frac{1}{4}$ c.; 1 box Royal Crown Soap at \$4.75; 12 bush. Potatoes at 30c.; 75 lbs. Ham at 18c.; \$—. Cash sales, \$45.95.

3. A. Cameron prepaid his note with his cheque on the Imperial Bank; discount allowed, 45c. Sold M. L. McColl 12 qts. Mixed Pickles at 15c.; 125 lbs. Rolled Oats at 4c.; 180 lbs. Gran. Sugar at $5\frac{1}{4}$ c.; 200 lbs. Yellow Sugar at $4\frac{3}{4}$ c.; 3 doz. cans Peaches at \$3.75; 5 doz. cans Salmon at \$1.70; 4 gals. Vinegar at 35c.; 15 pails Blueberries at 60c.; 10 crates Peaches at \$1.10; received in full payment an order on J. C. Ferguson, which he has accepted, \$—. Bought of Anderson & Co., a safe for office, \$125; gave in payment our cheque for \$100, and our note at 30 days, payable at the Bank of Ottawa, for balance, \$—. Received from Geo. Watts, on acct., his cheque on the Union Bank for \$55. Deposited in bank, \$150. Cash sales, \$62.45.

4. H. S. Harper deposited as an addition to his investment cash, \$300. Sold S. H. Perry on acct., 30 lbs. Japan Tea at 45c.; 5 lbs. Coffee at 40c.; 5 gals. Coal Oil at 28c.; \$—. Sold H. D. Wilson on acct., 3 boxes Soda Biscuits at 25c.; 25 lbs. Smoked Ham at 15c.; 75 lbs. Bk. Bacon at 13c.; 2 Wash-tubs at 85c.; \$—. Received from J. C. Ferguson, his note at one month, payable at the Union Bank, in full payment of his acct., \$—. Cash sales, \$75.15.
5. Geo. Watts remitted on acct. his cheque on the Bank of Ottawa for \$20. Sold A. C. Jones on acct., 25 bush. Potatoes at 30c.; 45 lbs. Bk. Bacon at 14c.; 5 crates Peaches at \$1.05; 10 gals. Golden

Syrup at 75c. ; \$—. Bought of Lawrence & Co. for cash, 1 Office Desk, \$60. Deposited in bank, \$100. (*Student's name here*) withdrew for private use cash, \$50. Cash sales, \$95.50.

6. Sold A. B. Horne on acct., 2 cases Canned Peaches at \$4.00 ; 5 cases Canned Pears at \$4.25 ; 2 boxes Bloaters at \$1.25 ; 5 gals. M. Vinegar at 35c. ; 3 sacks Rolled Oats at \$2.25 ; \$—. H. D. Wilson settled his acct. by an order on S. H. Wemyss, which was immediately paid with cash, \$—. Paid for repairs with cheque, \$10.20. H. S. Harper withdrew for private use per cheque, \$50. Paid Herbert H. Williams on acct. of salary cash, \$5. Cash sales, \$69.50.
7. Bought of Martin & Co., Toronto, 8 sacks B. Rice, 250 lbs. each, at $3\frac{3}{4}$ c. ; 4 sacks Patna Rice, 100 lbs. each, at 5c. ; 5 sacks Pearl Tapioca, 100 lbs. each, at 4c. ; 12 hf. bbls. Filiatra Currants, 200 lbs. each gross, tare 20 lbs. each, at $4\frac{1}{4}$ c. ; 10 boxes Valencia Raisins, 30 lbs. each, at \$1.50, \$—. Gave in payment our cheque for \$132.60, and our acceptance at 30 days, payable at the Bank of Montreal, for balance, \$—. Paid Amos Dagg, on acct. of wages, cash, \$2. Cash sales, \$87.50.
9. Sold S. H. Perry, on acct., 6 lbs. Ceylon Tea at 45c. ; 9 cans Salmon at 12c. ; 15 lbs. S. C. Ham at 16c. ; 22 lbs. Bk. Bacon at 13c. ; 2 sacks Rolled Oats at \$2.25 ; \$—. Deposited in bank, cash, \$200. Cash sales, \$52.10.
10. Sold A. A. Caskey, 3 boxes Bloaters at \$1.30 ; 5 bush. Potatoes at 30c. ; 15 doz. Eggs at 12c. ; \$—. Received his cheque in full payment. Sold A. D. Murray 40 bush. Potatoes at 30c. ; 15 sacks of Gran. Oatmeal at \$2.20 ; \$—. Received in payment an order on S. H. Perry. Cash sales, \$49.65.
11. Bought of Sylvester & Co., Toronto, 2 bbls. Golden Syrup, 79 gals., 81 gals., at 38c. ; \$—. Gave cheque in full payment. Deposited in bank, cash, \$100. S. H. Perry refused to accept A. D. Murray's order and it was returned. Mr. Murray immediately gave his note at 10 days, payable at the Imperial Bank, for the full amount of his indebtedness, \$—. Cash sales, \$76.20.
12. Sold Geo. Burton on acct., 10 gals. Vinegar at 35c. ; 25 lbs. Cheese at 13c. ; 5 doz. Eggs at 15c. ; 3 lbs. Corn Starch at 8c. ; 12 lbs. Tapioca at $4\frac{1}{2}$ c. ; \$—. Cash sales, \$35.72.
13. Prepaid per cheque, note in favor of Jas. A. Peters, as per B.B. Discount allowed, 60c. Cash sales, \$48.65.
14. Bought of Long & Wismer, Toronto, 500 lbs. Bk. Bacon at 11c. ; 1000 lbs. S. C. Ham at 12c. ; 451 lbs. Spiced Roll at 10c. ; \$—. Gave in payment our acceptance at 10 days, payable at the Bank of Montreal. Cash sales, \$72.35.
16. Paid per cheque our acceptance favor of Sylvester & Co., due this

day, \$—. Sold A. C. Jones on acct., 25 sacks Oatmeal at \$2.40; 120 lbs. S. C. Ham at 16c.; \$—. Cash sales, \$27.60.

17. Bought of Smith & Sons, Montreal, 20 bbls. Patent Process Flour at \$3.50; 10 bbls. Strong Baker's Flour at \$3.00; 50 sacks Rolled Oats, at \$1.50; \$—. Gave in payment our acceptance at 30 days, payable at the Bank of Commerce. Paid freight per cheque, \$12.40. Cash sales, \$39.75.

18. Paid Herbert H. Williams on acct. of salary, per cheque, \$15. Cash sales, \$59.45.

19. Deposited in bank cash, \$150. Sold Geo. Watts on acct., 150 lbs. Ham at 15c., 10 sacks Oatmeal at \$2.25; \$—. Cash sales, \$48.72.

20. A. B. Horne paid on acct., per cheque, \$12.50. Deposited in bank, cash, \$48.50. Cash sales, \$39.70.

21. S. H. Perry paid on acct., per cheque, \$16.90, which was immediately deposited. Sold N. Cairns on his note at 2 months, payable at the Bank of Montreal, 75 lbs. Gran. Sugar at 5c., 150 lbs. Yellow Sugar at $4\frac{1}{2}$ c., 28 lbs. Ceylon Tea at 40c., 180 lbs. Butter at 12c., 3 cases Canned Mackerel at \$5.40, 5 sacks Cornmeal at \$2.10; \$—. Cash sales, \$75.20.

23. J. H. May paid his acceptance in full as per B. B., and the bank has placed the amount to our credit, \$—. Cash sales, \$45.90.

24. Issued a cheque in full payment of our note due this day, favor of Comstock & Co., as per B. B. Face, \$—. Interest, \$—. Total, \$—. A. D. Murray paid his note due this day, as per B. B., with cash, \$—. Cash sales, \$52.55.

25. Sold H. D. Wilson on acct., 3 lbs. Mixed Spice at 25c., 5 gals. Molasses at 50c., 6 gals. Wh. W. Vinegar at 30c.; \$—. Geo. Watts paid on acct., cash, \$30. Deposited in bank, cash, \$75.50. Cash sales, \$49.20.

26. Bought of Sylvester & Co., Toronto, on our acceptance at 30 days, payable at the Bank of Montreal, 6 hf. chests Congou Tea, 59-9, 61-10, 58-9, 62-10, 62-11, 59-10, at 20c.; 6 hf. chests Japan Tea, 70-10, 74-11, 75-12, 69-9, 73-11, 72-10, at 20c.; \$—. Cash sales, \$28.40.

27. At our request the bank paid our acceptance due this day, favor of Long & Wismer, as per B. B., \$—. Cash sales, \$44.90.

28. Deposited in bank, cash, \$100. Sold S. H. Mason on his note at 2 mos., payable at the Bank of Montreal, 175 lbs. Bacon at 13c., 400 lbs. Ham at 15c.; \$—. Cash sales, \$60.50.

30. Paid Herbert H. Williams, per cheque, balance of month's salary, \$—. Paid Amos Dagg, per cheque, balance of month's wages, \$—. J. C. Ferguson prepaid his note as per B. B. Discount allowed, 25c. Proceeds deposited in bank, \$—. Cash sales, \$54.90.

Inventories.

Merchandise.....	\$1317 70
Office Furniture.....	235 00
Student's Net Investment	\$ _____
" " Gain.....	_____
" " Worth.....	\$ _____
H. S. Harper's Net Investment.....	\$ _____
" " Gain.....	_____
" " Worth.....	\$ _____

NOTE.—The student is expected to write all cheques, drafts, invoices, etc., in proper business form, close the Ledger, and make a Financial Statement as shown on page 95. For instructions as to the method of dealing with partners' accounts see Chap. VII.

SET IV.—EXPLANATIONS.

This Set is a continuation of Set III. The new features are

- (a) A third partner is admitted into the business.
- (b) Shipments and consignments are dealt with. See Chap. VI.
- (c) The Sales Book is introduced as a book of original entry.

THE SALES BOOK.

As the Sales Book will contain a record of all sales of mdse. the special column which appeared in the Journal for the month of July will be dispensed with. At the end of August the total amount of sales for the month (cash sales excepted) will be posted from this book directly to the Cr. side of the Merchandise Account in the Ledger. See pp. 82 and 86.

THE CASH BOOK.

The Cash Book for this month assumes a more practical form than that given on pp. 80 and 81. Two additional special columns appear on the right hand or Cr. side, one for "Bills Payable" and the other for "Freight." The amount of cash deposited in bank is regarded as cash on hand in accordance with the usual practice in actual business. This being the case it will be necessary when testing the correctness of the Cash Book at the close of each day, to take into account the balance on deposit as shown by the Bank Cheque Book. See pp. 52 and 136.

If the balance shown by the Cash Book does not correspond in amount to the cash on hand, as found by actually counting it, the error should be discovered if possible before the business of the next day is begun. If it cannot be located a "correction" entry should be made crediting Merchandise when there is a surplus, or debiting the Cashier when there is a shortage. If the error is found afterwards counter entries will, of course, be made.

SET IV.—GENERAL PROVISION AND SHIPPING BUSINESS.

PARTNERSHIP—THREE PARTNERS.

Books used—Journal, Cash Book, Invoice Book, Sales Book, Bill Book and Ledger, the first four as books of original entry.

TRANSACTIONS.

—Oct. 1, 1895.

(*Student's name here*) and H. S. Harper have this day admitted Stewart Kennedy as a partner to carry on a General Provision and Shipping business under the firm name of (*Student's surname here*) Harper & Co. They agree to share gains and losses according to investment.

Stewart Kennedy invests cash, \$1200 ; Mdse., \$1100.

2. Paid in advance rent for month of Oct., with cash, \$40. Took out an open policy of insurance on warehouse and contents for \$5000 at $\frac{5}{8}\%$. Paid premium per cheque, \$—. Increased Herbert H. Williams' salary to \$75 per month and Amos Dagg's wages to \$15 per month. Deposited in bank cash, \$2000.
3. Shipped to Ferguson & Sons, St. Catharines, to be sold on our acct. and risk, 20 Dressed Hogs, 5280 lbs. at \$5.50 ; \$—. Paid shipping expenses per cheque, \$12.50. Cash sales, \$75.30.
4. Bought of Smith & Sons, Montreal, 25 bbls. Patent Process Flour at \$3.50 ; 10 bbls. Strong Baker's Flour at \$3.00 ; 20 sacks Gran. Oatmeal at \$1.75 ; 10 sacks Rolled Oats at \$1.50 ; 22 sacks Cornmeal at \$1.75 ; \$—. Remitted in full payment a bank draft for which we issued our cheque (exchange $\frac{1}{8}\%$). Paid freight per cheque, \$11.60. Cash sales, \$79.20.
5. Sold Geo. Watts 5 bbls. Patent Process Flour at \$3.75 ; 5 bbls. Strong Baker's Flour at \$3.25 ; 200 lbs. Long Clear Bacon at 10c. ; 500 lbs. Bk. Bacon at 13c. ; 20 tubs Lard, 60 lbs. each, net, at 10c. ; 2 sacks Standard B. Rice, 250 lbs. each, net, at 5c. ; \$—. Received in payment J. Elliott's note in favor of purchaser, dated Sept. 18, at 30 days, payable at the Bank of Commerce, for \$200 ; the balance to remain on acct., \$—. Cash sales, \$72.10.
7. Shipped to Miller & Anderson, Kingston, to be sold on our acct. and risk, 10 bbls. Patent Process Flour at \$3.50 ; 10 bbls. Can. Heavy Mess Pork at \$15 ; 500 lbs. Pickled Pork at 10c. ; \$—. Paid shipping expenses, per cheque, \$8.50. Paid for repairing store with our order on H. D. Wilson, \$5.05. Paid per cheque our note in favor of Anderson & Co., as per B.B., \$—. Cash sales, \$84.90.
8. Received from A. L. Young, Walkerton, to be sold on his acct. and risk, 300 boxes Factory Cheese, 19800 lbs. gross, tare 1800 lbs.,

invoiced at 7c.; paid freight, per cheque, \$7.55. Cash sales, \$80.90.

9. Ferguson & Sons, St. Catharines, rendered an acct. sales of goods shipped to them on the 3rd inst. Our net proceeds, \$330. They remitted a sight draft on R. C. Wagner for \$230, and credited us for the balance, \$—. Deposited in bank, cash, \$200. Geo. Watts settled his acct. in full with his note at 30 days, payable at the Bank of Montreal, \$—. Paid H. H. Williams \$10 cash on acct. of salary. Cash sales, \$75.40.
10. Sold T. H. Armstrong from A. L. Young's consignment, No. 1, 200 boxes Factory Cheese, 13220 lbs. gross, tare 1220 lbs., at $8\frac{3}{4}$ c.; \$—. Received in payment his cheque for \$800 and his note at 10 days, payable at the Bank of Commerce, for balance, \$—. Accepted A. L. Young's draft on us at 30 days, payable at the Bank of Montreal, for \$1000. Paid our acceptance, favor of Martin & Co., as per B. B., per cheque, \$—. Cash sales, \$90.45.
11. (*Student's name here*) withdrew for private use, cash, \$55.91. Purchased a warehouse for \$1100, for which we issued our cheque. Deposited in bank, cash, \$700. Bought of Geo. Burton 10 Dressed Hogs, 2760 lbs., at \$5.50. Gave him our note at 2 months, payable at the Bank of Montreal, to balance acct., \$—. Cash sales, \$60.15.
12. Sold Geo. Watts from A. L. Young's consignment, No. 1, 106 boxes Factory Cheese, 6000 lbs. net, at $8\frac{1}{2}$ c.; \$—. Received in payment Peter Campbell's sight draft on R. C. Morrow for \$400 and cash for balance, \$—. Sold A. McKercher 200 lbs. S. C. Ham at 13c., 50 lbs. Congou Tea at 35c., 25 lbs. Mocha Coffee at 40c.; \$—. Received in payment an order on K. L. Camp for \$40, the balance to remain on acct., \$—. H. S. Harper withdrew for private use, cash, \$19. Cash sales, \$72.10.
14. Rendered A. L. Young an acct. sales of his first consignment, charging 2% commission, \$3.50 for storage, \$1.80 for drayage, and \$1.50 for insurance. Net proceeds, \$—. Remitted T. H. Armstrong's note as per B. B. (taken at face value) and cash for balance due the shipper, \$—. Cash sales, \$87.60.
15. Bought of Scott & Jameson, Montreal, 30 bbls. Labrador Herring, at \$5.50; 20 hlf. bbls. Newfoundland Herring, at \$2.50; \$—. Remitted a draft in full payment, for which we issued our cheque. (Exchange $\frac{1}{8}\%$.) Paid freight per cheque, \$7.60. Purchased a horse for \$75, and a dray for \$42, per cheque; \$—. Paid cash for repairing store, \$5. S. H. Perry settled his account by giving an order on Kellogg & Co., which they paid per cheque; \$—. Cash sales, \$52.25.
16. Bought of Scott & Jameson, Montreal, to be shipped to Ferguson & Sons, St. Catharines, for sale on our acct. and risk, 50 bbls.

Labrador Herring at \$5.60. Gave in payment our acceptance at 30 days, payable at the Bank of Montreal, \$—. Sold J. H. Macpherson, on acct., 5 bbls. Patent Process Flour at \$3.80; 6 bbls. Strong Baker's Flour at \$3.40; 200 lbs. Bk. Bacon at 13c.; 50 lbs. Japan Tea at 37c.; 100 lbs. Patna Rice at 7c.; \$—. Paid for advertising, cash, \$10.50. Prepaid our acceptance favor of A. L. Young, as per B.B.; discount at 6% allowed. Remitted a bank draft which we purchased with cash, \$—. (Exchange $\frac{1}{8}\%$.) Deposited in bank, cash, \$300. Cash sales, \$75.60.

17. Stewart Kennedy withdrew, for private use, \$100, per cheque. Bought of James Long, 100 Dressed Hogs, 24,050 lbs. at \$5.40. Gave cheque in full payment, \$—. Shipped directly 50 of these Hogs, 12,000 lbs., to Ferguson & Sons, St. Catharines, to be sold on our acct. and risk. Paid Shipping Expenses, per cheque, \$9.50. Miller & Anderson, Kingston, rendered an acct. sales of our shipment to them of the 7th inst. Net Proceeds, \$259.60. They remitted a draft on the Bank of Commerce, purchased with that amount. (Exchange $\frac{1}{8}\%$.) Cash sales, \$72.80.

18. Received A. L. Young's second consignment, consisting of 120 boxes of Cheese, 6720 lbs. gross, tare 660 lbs., invoiced at $7\frac{1}{2}$ c. Paid freight, \$3.60, per cheque. Paid H. H. Williams, cash on acct. of salary, \$15. Bought of A. C. Jones, on acct., 2500 lbs. Beef at $4\frac{1}{2}$ c.; 300 bush. Potatoes at 25c., \$—. A. B. Horne, paid on acct., cash, \$17.75. Cash sales, \$77.35.

19. Geo. Watts prepaid his note as per B.B., discount at 6%. Proceeds deposited, \$—. Paid A. C. Jones on acct., cash, \$87.50. Paid cash for postage and stationery, \$2.60. Cash sales, \$60.

21. J. Elliott paid his note as per B. B., per cheque, \$—. Paid our acceptance favor of Smith & Sons, as per B. B., with cash, \$—. Sold A. H. Smith, on acct., 15 lbs. Rio Coffee at 30c.; 12 lbs. Mocha Coffee at 45c.; 25 lbs. Carolina Rice at 9c.; 100 lbs. Gran. Sugar at 5c.; 100 lbs. Bright Yellow Sugar at 4c.; 100 lbs. Bk. Bacon at 13c.; 2 bbls. Labrador Herring at \$6. \$—. Cash sales, \$70.10.

22. Drew on Ferguson & Sons, St. Catharines, at 10 days for \$200. Paid cash for cleaning store, \$1.50. Sold Andrew Laing on acct. 5 bbls. Flour at \$3.50, 2 sacks Oatmeal at \$2; \$—. Cash sales, \$61.90.

23. Sold to James A. Black 118 boxes of Factory Cheese, 5960 lbs. net, at 9c., this being the whole of A. L. Young's second consignment (2 boxes damaged) received on the 18th inst. Received in full payment his cheque on the Bank of Commerce. \$—. K. L. Campbell paid on acct., cash, \$15. Sold A. McKercher on acct., 5 tins, 25 lbs. each, choice Ground Coffee at 45c., 2 sacks Japan Rice at \$5, 3 sacks Pearl Tapioca at \$3.50, 5 pails Lard, 20 lbs. each net, at 11c.; \$—. Cash sales, \$64.10.

24. Rendered A. L. Young an acct. sales of his second consignment, charging 2% commission, \$1.60 for storage, \$1.10 for drayage, and \$1.20 for insurance. Net proceeds, \$—. Remitted a draft purchased with cash for amount due the shipper. (Exchange $\frac{1}{2}\%$.) Cash sales, \$35.20.

25. Sold A. G. Hay on his note at 2 months, payable at the Bank of Montreal, 120 lbs. Gran. Sugar at 5c.; 10 lbs. Congou Tea at 38c.; 6 lbs. Mocha Coffee at 45c.; 3 kegs Mixed Pickles, 5 gals. each, at 50c.; \$—. Cash sales, \$44.50.

26. Received from Ferguson & Sons, St. Catharines, an acct. sales of shipment to them of the 16th inst. Net proceeds, \$302.50. They remitted their cheque for the whole amount due to us up to date, \$—. Bought of John Cameron, for cash, 50 tubs Dairy Butter, 2630 lbs. net, at 12c., \$—. Cash sales, \$63.70.

28. A. B. Horne closed his acct. by an order on A. C. Jones which Mr. Jones accepted, \$—. Drew on Ferguson & Sons, St. Catharines, at 10 days for \$300. Cash sales, \$70.20.

29. Shipped to Miller & Anderson, Kingston, to be sold on our acct. and risk, 180 bbls. Superior Flour, which we have this day purchased from Cummings & Co. for cash, at \$3 per bbl. Paid shipping expenses, per cheque, \$12.50. Paid our acceptance favor of Sylvester & Co., per cheque, \$—. Cash sales, \$58.75.

30. Sold James Mason, on his note at 30 days, 5 bbls. Mess Pork at \$15; 200 lbs. Bk. Bacon at 13c.; \$—. Cash sales, \$65.50.

31. Paid H. H. Williams balance of salary for Oct., per cheque, \$—. Paid Amos Dagg, wages, for Oct., per cheque, \$—. A. McKercher paid on acct., cash, \$40. Cash sales, \$89.30.

Inventories.

Merchandise	\$1462 54
* Shipment to Ferguson & Sons, No. 3	657 50
Shipment to Miller & Anderson, No. 2	552 50
Expense	117 00
Office Furniture	235 00
Real Estate	1100 00
Insurance (unexpired).....	16 00
 Total	 \$4140 54
 Student's Net Investment	 \$—
“ “ Gain	—
“ “ Worth	\$—

* The goods belonging to this shipment were invoiced at \$648; the shipping expenses amounted to \$9.50. As it may be reasonably assumed that the firm's interest in the shipment is actually worth the invoice price of the goods plus the amount of shipping expenses, the shipment account may very properly be closed "By Bal. Inv." \$657.50. This is a point, however, on which there is by no means unanimity of opinion. The student should be able to make closing entries corresponding to different views held.

H. S. Harper's Net Investment.....	\$-----
" " Gain	-----
" " Worth.....	\$-----
Stewart Kennedy's Net Investment.....	\$-----
" " Gain	-----
" " Worth	\$-----

NOTE.—The student is expected to write all cheques, drafts, invoices, etc., in proper business form, close the Ledger, and make a Financial Statement.

SET V.—EXPLANATIONS.

This Set is a continuation of the previous one. Its most important features are :—

- (a) The admission of a fourth partner.
- (b) The introduction of Shipment Co. and Merchandise Co. accounts. See pp. 102 and 103.
- (c) The transferring of accounts from an old Ledger to a new one. See page 139.

SET V. — WHOLESALE PROVISION AND COMMISSION BUSINESS.

Books used—The same as for Set IV.

PARTNERSHIP—FOUR PARTNERS.

—————, Nov. 1, 1895.

The firm having this day decided to carry on a Wholesale Provision and Shipping Business, sold at cost to C. A. Harvey \$1365 worth of goods from store. Received in payment, cash, \$1000, and C. A. Harvey's note at 3 months, endorsed by A. C. Jones for balance, \$—. This note bears interest at 7%, and it is payable at the Bank of Montreal.

J. S. Craig is admitted as a partner, gains and losses to be shared in proportion to investment. Mr. Craig invests cash, \$800, and Mdse., \$1500.

Leased warehouse formerly occupied to C. A. Harvey at \$20 per month, and rented J. S. Craig's office and warehouse for our use at \$45 per month.

Re-engaged Herbert H. Williams as accountant at \$80 per month; increased Amos Dagg's wages to \$25 per month.

2. K. L. Campbell paid cash in full of acct, \$—. Sold J. H. Orr 10 bbls. Superior Flour at \$3.20; 10 sacks Cornmeal at \$2; 15 sacks Rolled Oats at \$1.75; 20 kegs Mixed Pickles, 5 gals. each, at 40c.; \$—. Received in payment cash, \$18.25, and his acceptance at 30 days for balance, \$—. Deposited in bank, cash, \$1000.

4. Bought of Murray & Scott, Guelph, for cash, 100 sacks Gran. Oatmeal at \$1.75 ; 50 sacks Rolled Oats at \$1.52 ; 20 bbls. Shoulder Mess Pork at \$13 ; 10 tubs Creamery Butter, 66, 65, 67, 69, 58, 58, 56, 59, 67, 69, tare 9 lbs. each, at 15c., \$—. Ferguson & Sons paid their acceptance due this day as per B.B. per bank draft in our favor, \$—. Paid for Office Books and Stationery cash, \$10.
5. Ferguson & Sons, St. Catharines, rendered an acct. sales of our third shipment to them. Our net proceeds, \$687.50. They remitted a bank draft purchased with the amount due us, \$—. J. H. McPherson paid on acct. cash, \$50.
6. Shipped to Miller & Co., Goderich, to be sold on joint acct. and risk, each one-half, 150 bbls. Northern Spy Apples at \$1.80 ; 210 bbls. Snow Apples at \$2 ; \$—. Paid shipping expenses per cheque, \$20. J. S. Craig withdrew, for private use, per cheque, \$33.34.
7. Received from A. L. Young, Walkerton, to be sold on joint acct. and risk, each one-half, 150 boxes Factory Cheese, 9750 lbs. gross, tare 850 lbs., at $7\frac{1}{2}$ c., \$—. Paid freight, per cheque, \$4.50. A. McKercher gave us an order on A. C. Jones for \$21.90, in part payment of acct.
8. Miller & Anderson rendered an acct. sales of our second shipment to them. Our net proceeds, \$582.20. They remitted a sight draft on Hutchings & Co. for \$200, an order on C. L. Cowan for \$200, and cash for balance, \$—. Mr. Cowan immediately paid the order per cheque.
9. Sold Johnson & Watson, for cash, from A. L. Young's consignment, on joint acct. of the 7th inst., 100 boxes Factory Cheese, 6520 lbs. gross, tare 560 lbs., at 10c., \$—. Drew on Miller & Co., Goderich, at 30 days, for \$200. Sold C. A. Harvey 20 sacks Gran. Oatmeal at \$1.90 ; 5 bbls. Mess Pork at \$14.50 ; 300 lbs. Bk. Bacon at 12c. ; 15 tubs Lard, each 60 lbs. net, at $9\frac{1}{2}$ c. ; 10 bbls. Labrador Herring at \$5.80 ; 10 bbls. Dairy Salt at \$1.40 ; \$—. Received in payment cash \$100, and his acceptance at 30 days, payable at the Bank of Montreal, for balance, \$—.
11. S. H. Mason prepaid his note as per B.B. Discount allowed 30c. Proceeds deposited, \$—. Ferguson & Sons remitted a draft in payment of their note as per B.B., \$—. Accepted A. L. Young's draft on us at 10 days, payable at the Bank of Montreal, for \$300.
12. Bought of Phelps & Orr, Kincardine, 500 bbls. Fine Salt at \$1.20. Remitted in full payment a bank draft, for which we issued our cheque, \$—. Paid freight \$15.50, per cheque. Discounted C. A. Harvey's note as per B. B., at 8%. Proceeds deposited, \$—.
13. Shipped to Ferguson & Sons, St. Catharines, for sale on joint acct., each one-half, 250 sacks Gran. Oatmeal at \$1.60, 50 sacks of which was taken from store and the remainder was purchased from Denny & Co. for cash. Paid shipping expenses, per cheque, \$8.20.

14. Bought of J. H. Douglas for shipment to Brown & Co., Hamilton, on joint acct. and risk each one-half, 140 tubs Dairy Butter, 7500 lbs. net, at 12c. Gave our cheque in payment. Paid for shipping expenses, cash, \$10.60. Paid A. C. Jones in full of acct., cash, \$—.
15. Sold H. L. Dunbar the remainder of A. L. Young's consignment on joint acct. of the 7th inst., 50 boxes Factory Cheese, 3230 lbs. gross, 290 lbs. tare at $10\frac{1}{2}$ c.; 100 bbls. Fine Salt at \$1.25 from store; \$—. Received in payment Kerr & Co.'s sight draft on J. H. Douglas for \$200, and cash for balance, \$—. Paid for advertising, per cheque, \$10.
16. Miller & Co. rendered an acct. sales of our shipment (first) to them on joint acct., of the 6th inst. Our $\frac{1}{2}$ net proceeds, \$380. They remitted in part payment a sight draft on Cairns & Halliday for \$200.
18. Rendered an acct. sales of A. L. Young's consignment on joint acct. of the 7th inst. Charges: Freight, \$4.50; drayage, \$1.10; storage, 1c. per box, \$—; insurance, \$1.20; commission, 2% on sales, \$—. Our $\frac{1}{2}$ net proceeds, \$—. A. L. Young's $\frac{1}{2}$ net proceeds, \$—. Remitted a bank draft purchased with cash for whole amount due the consignor, \$—. Purchased a new office safe for \$175. The old safe given as part payment, \$120; the balance paid per cheque, \$—. Paid our acceptance favor of Scott & Jameson as per B. B., per cheque, \$—.
19. Ferguson & Sons, St. Catharines, rendered an acct. sales of our shipment (first) to them on joint acct., of the 13th inst. Our $\frac{1}{2}$ net proceeds, \$215. They remitted a sight draft on Hilker & Co. for \$250 and their note at one month, dated Nov. 18, 1895, and payable at the Bank of Commerce, to close acct., \$—.
20. Discounted at 8% Ferguson & Sons' note, dated 18th inst., as per B. B. Proceeds deposited, \$—.
21. Andrew Laing did \$10 worth of work at repairing store; the amount is placed to his credit.
22. Brown & Co., Hamilton, rendered an acct. sales of our shipment (first) to them on joint acct. of the 14th inst. Our $\frac{1}{2}$ net proceeds, \$470.30, which amount they have placed to our credit. Paid Herbert H. Williams \$25, per cheque, on acct. of salary.
23. Sold Baker & Son 300 bbls. Fine Salt at \$1.30; 30 sacks Gran. Oatmeal at \$1.90; \$—. Received in payment J. F. Hooper's sight draft on A. Cameron for \$150, a "marked" cheque on the Bank of Commerce for \$100, the balance on acct., \$—.
24. Paid our acceptance favor of A. L. Young, as per B.B., with our cheque, \$—. Paid Amos Dagg, on acct. of wages, per cheque, \$5.
25. Received from Miller & Co., Goderich, for sale on joint acct. and risk, each one-half, 500 bbls. Fine Salt at \$1.00. They paid

shipping expenses, \$10, and on receiving the goods we paid freight, \$25, per cheque.

26. Compromised with Neil Cairns for the payment of his note (past due) at 60c. on the dollar. Proceeds deposited, \$—.
28. Sold James Hay, for cash, from Miller & Co's consignment on joint acct. of the 25th inst., 300 bbls. Fine Salt at \$1.25. Paid cash for stationery, \$5; for telegram, 50c.
29. Shipped to Ferguson & Sons, St. Catharines, for sale on joint acct. and risk, each one-half, 150 Dressed Hogs, 30,600 lbs., which we purchased from H. D. Currell at \$5.30. Gave in payment James Mason's note as per B.B., \$—, our sight draft on Baker & Son, for \$100, and cash for balance, \$—.
30. Sold C. A. Harvey, for cash, the remainder of Miller & Co's consignment on joint acct. of the 25th inst., 200 bbls. Fine Salt at \$1.25. Rendered an acct. sales of the same, charging 2% commission, 2c. per bbl. for storage, \$6.50 for drayage, and \$1.80 for insurance. Our $\frac{1}{2}$ net proceeds, \$—. Paid H. H. Williams balance of salary for month, per cheque, \$—. Paid Amos Dagg balance of wages for month, per cheque, \$—. C. A. Harvey paid rent for warehouse with cash, \$20. Paid J. S. Craig the amount due him for rent per cheque, \$—.

Inventories.

Merchandise.....	\$1396 91
Shipment Co. No. 4. (F. & S.).....	810 90
Expense.....	114 10
Office Furniture.....	280 00
Real Estate.....	1100 00

Total Net Gain, \$—. Net Gain of each Partner, \$—. Net Worth of each Partner, \$—.

NOTE.—The student will write all correspondence, notes, drafts, cheques, etc., in connection with the business. At the end of the month the books will be closed and a financial statement will be made.

SYNOPTIC STATEMENT.

A synoptic statement similar to that given below is of much practical value to the manager of a business, as it presents at a glance the most important results of the business for different periods—months, half-years, or years, as may be desired—thus affording proper data on which to base such comparisons as are necessary for determining the best course to pursue in future. The student will make out from the financial statements for Set III., Set IV., and Set V., a comparative statement of the following form :

Synoptic Financial Statement—Sets III., IV. and V.

	Resources.	SEPT.	OCT.	NOV.
<i>Personal Accounts in our favor.</i>				
Cash on hand				
Bills Receivable on hand				
Merchandise (Inv.)				
Office Furniture (Inv.)				
Real Estate (Inv.)				
Shipments (Inv.)				
Shipment Cos. (Inv.)				
Expense (Inv.)				
Insurance (Unexpired)				
<i>Total</i>				
	Liabilities.			
<i>Personal Accounts against us</i>				
Bills Payable outstanding				
<i>Total</i>				
<i>Present Worth of Firm</i>				
	Gains.			
Merchandise				
Shipments				
Shipment Cos.				
Mdse. Cos.				
Commission				
Storage				
Drayage				
Insurance				
Int. and Exch.				
<i>Total</i>				
	Losses.			
Expense				
Salaries				
Rent				
Freight				
Insurance				
Office Furniture				
Int. and Exch.				
Shipments				
Bills Receivable				
<i>Total</i>				
<i>Net Gain for Firm</i>				

Synoptic Financial Statement—(Continued).

(Student's name here.)	SEPT.	OCT.	NOV.
Net Investment			
" Gain			
" Loss.....			
Net Worth.....			
<i>H. S. Harper.</i>			
Net Investment.....			
" Gain.....			
" Loss.....			
Net Worth.....			
<i>Stewart Kennedy.</i>			
Net Investment.....			
" Gain.....			
" Loss.....			
Net Worth.....			
<i>J. S. Craig.</i>			
Net Investment.....			
" Gain			
" Loss.....			
Net Worth.....			
Total Purchases for Month			
Total Sales " "			
Rate % of Gain on Net Sales			
" " Loss "			
" " Gain on Net Investment.....			
" " Loss "			

SET VI.—MANUFACTURING BUSINESS.

Books used—Journal, with a Special Column for Mdse. Sales, Cash Book, Bill Book, Time Book and Ledger.

—, March 2, 1896.

H. L. Thompson and (Student's name here) have this day formed a co-partnership for the purpose of carrying on a General Biscuit and Confectionery Manufacturing Business under the firm title of Thompson & (Student's surname here). Either partner is to be allowed interest at the rate of 8% per annum on the excess of his investment over that of the other. After deducting such interest gains and losses are to be shared equally.

Received from Holden & Co. a lease for a period of 5 years of their buildings, machinery, etc., situate on the corner of Wellington and Hargrave Streets, at the rate of \$2400 per annum, payable monthly.

H. L. Thompson invests cash \$7500, C. S. Gilroy's note dated Jan. 9, 1896, at 2 months, payable at the Bank of Montreal, for \$1095, bearing interest at 8%. Int. accrued, \$—. Total, \$—.

(Student's name here) invests cash \$3000, material for Biscuit Department valued at \$2500. Total, \$—.

Bought of Holden & Co. for cash their entire stock of material and manufactured goods as per inventories :

Material for Biscuit Department.....	\$ 500 00
Material for Confectionery Department.....	2000 00
Manufactured Goods—Biscuits.....	800 00
Manufactured Goods—Confectionery.....	400 00
	—————
	\$3700 00

Engaged David Graham as accountant at \$900 per annum, Miss Mary Marrs as typewriter at \$32 per month, James Calder as general stock-keeper at \$60 per month, Amos C. Hine as foreman of Biscuit Manufacturing Department at \$720 per annum, C. S. Miller as foreman of Confectionery Manufacturing Department at \$720 per annum, J. S. Riggs, A. F. Ney, B. C. Cooper, Stephen Lane, J. K. Culver, B. S. Milloy, Charles Watt, at \$1.80 per day, M. Cassells, C. A. Fisher, A. M. Kennedy, R. Rhodes, E. H. Gilmour, M. K. Sturrock at \$1.00 per day, M. A. Stratton, H. C. Fraser, at 80c. per day. Employees are to be paid on the last day of each month ; services to be reckoned from beginning of March. Bought of The Copp Clark Co., Toronto, for cash, a set of Office Books, \$30.

2. Bought of Martin & Mitchell, Goderich, Flour, etc., for Biscuit Department, as per Invoice No.—, \$460. Gave in payment our acceptance at 15 days, payable at the Bank of Montreal. Paid cash for freight, \$18.60. Bought of Bole & Co., Toronto, for cash, Sugar, etc., for Confectionery Department, as per Invoice No.—, \$350. Paid cash for freight, \$20. Sold Cameron & Campbell 10 crates Soda Biscuits, each containing 48 cartons at 20c ; 50 boxes Imperial Biscuits, 25 lbs. each at 15c. ; 5 bbls. Mixed Candies, 240 lbs. each at 8c. ; \$—. Received in payment their acceptance at 15 days, payable at the Merchants Bank. Deposited in the Bank of Montreal, cash, \$5000.
3. Took out Insurance Policy for \$6000 (each department \$3000), for one year. Paid premium, per cheque, \$120. Bought of Ellis & Sons, Hamilton, Essences, etc., for Confectionery Department, as per Invoice No.—, \$240. Remitted draft in payment, for which we issued our cheque (Exchange $\frac{1}{8}\%$). Paid cash for freight, \$6.20.

Sold J. A. McLeod, for cash, 20 bbls. Arrowroot Biscuits, 1200 lbs. at 11c.; 10 bbls. Fruit Biscuits, 700 lbs. at 10c.; 200 boxes Oyster Biscuits, 4000 lbs. at 7c., \$—. Sold James Markham, Clinton, on his acceptance at 15 days, payable at the Merchants Bank, 50 pails Acid Drops, 1250 lbs. at 12c.; 5 pails Licorice Pellets, 140 lbs. at 30c.; 50 bottles Assorted Tablets at \$1, \$—. Sold Harvey & Kennedy, Seaforth, 100 boxes Arrowroot Biscuits, 1700 lbs. at 6c.; 5 bbls. Maple Chocolates, 1020 lbs. at 18c.; 30 boxes Wrapped Taffy at \$1; \$—. Received in payment their acceptance at 30 days.

4. Sold J. H. Howell, London, on his acceptance at 2 months, 50 bbls. Soda Biscuits, 3300 lbs. at 6c., \$—.
5. Bought of Cooper & Smith, London, on our acceptance at 10 days, payable at the Bank of Montreal, Barrels, Boxes, etc., as per Invoice No.—, for Biscuit Dept., \$200; for Confectionery Dept., \$100. Paid cash for freight, \$12. Sold Harvey & Miller, for cash, 25 bbls. Mixed Candies, 5400 lbs. at 7c.; \$—.
6. Bought of Turnbull & Robb, Toronto, on our acceptance at 15 days, Glucose, etc., for Confectionery Dept., as per Invoice No.—, \$300. Paid freight per cheque, \$12.50. H. L. Thompson withdrew cash, \$200.
7. Sold Perry & Co., Brantford, 50 bbls. Soda Biscuits, 3200 lbs. at 6c.; 10 boxes Ginger Snaps, 300 lbs. at 8c.; 5 boxes XX Snaps, 140 lbs. at 5c.; \$—. Received in payment their acceptance at 2 months.

NOTE.—The time of employees up to this date is given in full on page 245. The division of labor shown by the Time Book for the first week will be maintained throughout the month; 10 hours constitute a working day. The student will enter the time, as reported each day, into the proper Time Book. For the sake of brevity, only the time gained or lost is given.

9. Sold Manning & Fraser, Chatham, on their acceptance at 2 months, 15 bbls. People's Mixed Biscuits, 950 lbs. at 12c.; 50 boxes Oatmeal Wafers, 900 lbs. at 11c.; \$—.
-
- Time—Lost, Stephen Lane $\frac{1}{2}$ day. Gained—J. K. Culver 2 hrs.
10. Paid cash for Stationery, \$5. Sold P. C. Riley, for cash, 100 boxes Almond Rock, 500 lbs., at 18c.; 50 pails Butter Chocolate, 1250 lbs., at 16c.; \$—. Sold J. H. Howell, London, on his acceptance at 15 days, 10 bbls. Imperial Chocolate, 2000 lbs., at 15c.; 100 boxes Assorted Creams, 600 lbs., at 11c.; \$—.
-
- Time—Lost, Charles Watt $\frac{1}{4}$ day. Gained, J. K. Culver $\frac{1}{2}$ hr
11. Bought of Bole & Co., Toronto, on our acceptance at 30 days, payable at the Bank of Montreal, Sugar, etc., for Confectionery Dept., as per invoice, \$650. Paid cash for freight, \$24.20. Paid cash for repairs; \$12.50.
12. Sold Craig & Co., Listowel, for cash, 5 bbls. People's Mixed Biscuits, 320 lbs., at 11c.; 10 pails Acid Drops, 300 lbs., at 12c.; \$—. Paid cash for cleaning office, \$1.20.

Time—Lost, B. S. Milloy 1 day, H. C. Fraser $\frac{1}{2}$ day, M. K. Sturrock, $\frac{1}{2}$ day.

13. As per terms of lease, Holden & Co. have this day added new machinery, amounting to \$146, for payment of which we have advanced cash at 8%. Sold Cameron & Campbell on acct., 150 boxes Licorice Tubes, 900 lbs., at 45c. ; 2 bbls. Brown Mixture, 500 lbs., at 8c. ; 2 bbls. Royal Mixture, 450 lbs., at 9c. ; \$—. (*Student's name here*) withdrew per cheque, \$500.

Time—Lost, B. S. Milloy 1 day, M. Kennedy $\frac{1}{2}$ day, M. K. Sturrock $\frac{1}{4}$ day.

14. C. S. Gilroy remitted a draft in full payment of his note, which was held for 2 days after maturity at his request. Face of note, \$—. Interest accrued, \$—. Proceeds deposited, \$—. Paid cash for coal oil, \$4.00. H. L. Thompson withdrew per cheque, \$407.72.

Time—Lost, J. S. Riggs 1 day, H. C. Fraser $\frac{1}{2}$ day, R. Rhodes $\frac{1}{2}$ day. Gained, Charles Watt $2\frac{1}{2}$ hrs., A. F. Ney $2\frac{1}{2}$ hrs.

16. Bought of Martin & Mitchell, Goderich, Flour for Biscuit Dept. as per invoice No. —, \$800. Remitted a draft purchased per cheque in full payment (Exchange $\frac{1}{8}\%$). Paid cash for freight, \$24.20. Paid cash for Petty Expenses, \$10.

Time—Lost, Charles Watt $\frac{1}{4}$ day, R. Rhodes $\frac{1}{4}$ day.

17. Shipped to Graham & Co., Hamilton, for sale on our acct. and risk, 200 bbls. Soda Biscuits, 12,000 lbs., invoiced at 5c., \$—. Paid Shipping Expenses per cheque, \$18.60.

18. Bought of Hoskins & McKay, Montreal, for cash, Sugar, Glucose, etc., for Confectionery Dept., as per invoice, \$720. Remitted in full payment a draft purchased per cheque (Exchange $\frac{1}{8}\%$). Paid cash for freight, \$25.60. Issued our cheque in full payment of our note due this day as per B. B., \$—. Paid cash for Petty Expenses, \$12.60.

Time—Lost, B. C. Cooper $\frac{1}{2}$ day, H. C. Fraser $\frac{1}{4}$ day. Gained, Charles Watt $2\frac{1}{2}$ hrs.

19. Shipped to Elliott & Livingstone, London, for sale on our acct. and risk, 100 pails Brown Mixture, 3200 lbs. at 8c. ; 100 pails Royal Mixture, 3200 lbs. at 9c. ; 200 boxes Oriental Mixture at \$1.10; \$—. Paid shipping expenses per cheque, \$12.40. Paid Amos C. Hine on acct. of wages, cash, \$10.

20. Cameron & Campbell paid their acceptance due this day as per B.B. with cash, \$—. Paid our acceptance favor of Martin & Mitchell, due this day per cheque, \$—. Paid James Calder, on acct. of wages, cash, \$10.

Time—Lost, Stephen Lane $\frac{1}{2}$ day, J. K. Culver $\frac{1}{2}$ day.

21. Received from Graham & Co., Hamilton, an account sales of our shipment to them of the 17th inst. Our net proceeds, \$675. They remitted a bank draft for \$400, the balance due us to remain

on acct., \$—. Sold Elliott & Livingstone, London, on acct., 180 bbls. Soda Biscuits, 10,800 lbs. at $5\frac{1}{2}$ c., \$—. Paid cash for Fuel for office, \$6.20. James Markham paid his acceptance due this day per draft, \$—.

Time—Lost, A. F. Ney $\frac{1}{4}$ day, E. H. Gilmour $\frac{1}{2}$ day.

23. Sold Robert Holmes, Clinton, for cash, 84 boxes Brown Mixture, 420 lbs. at 8c., \$—. Bought of Mason & Co., Kincardine, Flour, etc., for Biscuit Dept., as per Invoice No.—, \$750. Remitted in payment a bank draft purchased per cheque. Paid cash for Petty Expenses, \$12. Paid J. S. Riggs on acct. of wages cash, \$8.

Time—Lost, A. F. Ney 1 day, E. H. Gilmour $\frac{1}{4}$ day.

24. Sold J. H. Raymer, on his acceptance at 2 months, payable at the Bank of Montreal, Guelph, 75 bbls. Soda Biscuits, 4500 lbs. at 6c.; 10 bbls. Arrowroot Biscuits, 620 lbs. at 10c.; 200 pails Brown Mixed Candies, 6000 lbs. at 8c.; 10 pails Acid Drops, 320 lbs. at 12c.; \$—. Paid cash for Petty Expenses, \$4.20. Paid, per cheque, our acceptance favor of Turnbull & Robb, due this day as per B.B., \$—.

Time—Lost, M. Cassells $\frac{1}{4}$ day, E. H. Gilmour $\frac{1}{2}$ day.

25. Sold C. S. Stewart & Co., Brantford, on their note at 2 months, payable at the Bank of Commerce, 60 bbls. Fruit Biscuits, 3660 lbs. at 10c.; 160 bbls. People's Mixed Biscuits, 9600 lbs. at 11c.; 85 boxes Wine Biscuits, 1600 lbs. at 10c.; \$—.

Time—Lost, B. S. Milloy $\frac{1}{4}$ day, J. S. Riggs $\frac{1}{2}$ day, M. K. Sturrock $\frac{1}{4}$ day.

26. Received from Elliott & Livingstone, London, an acct. sales of goods shipped to them on the 19th inst. Our net proceeds, \$800. They remitted in payment J. C. Edwards' note at 3 months, dated the 25th inst., and payable at the Bank of Montreal, for \$600, and their own note at 15 days, payable at the Bank of Montreal, to cover balance of net proceeds and goods sold them on the 21st inst. Paid cash for repairs, \$10.

Time—Lost, B. C. Cooper $\frac{1}{2}$ day, E. H. Gilmour $\frac{1}{2}$ day, M. K. Sturrock $\frac{1}{2}$ day.

27. Bought of Macpherson & Co., Fergus, Flour, etc., for Biscuit Dept., as per Invoice No.—, \$1000. Remitted bank draft, purchased per cheque. Paid cash for freight, \$26.70. Paid cash for cleaning store, \$5.

28. Deposited in Bank, cash, \$1000. Sold Turner & Co., Hamilton, on their acceptance at 30 days, 500 boxes Cocoanut Rock at \$1.10, \$—.

Time—Lost, C. Watt $\frac{1}{2}$ day, H. C. Fraser $\frac{1}{4}$ day, M. Kennedy $\frac{1}{2}$ day, R. Rhodes $\frac{1}{4}$ day.

30. Sold Watson & Williams, Toronto, for cash, 200 boxes Soda Biscuits,

4000 lbs., at 5c.; 120 boxes XX Snaps, 2200 lbs., at $5\frac{1}{2}$ c.; 100 boxes Ginger Snaps, 1800 lbs., at $9\frac{1}{2}$ c.; \$—.

Time—Lost, C. Watt $\frac{1}{2}$ day, J. K. Culver $\frac{1}{2}$ day.

31. Discounted the following bills, as per B. B., at 8% and deposited proceeds: C. S. Stewart & Co.'s note, dated March 25. Elliott & Livingstone's note, dated March 26. Turner & Co.'s acceptance, dated March 28. Face value, \$—. Discount, \$—. Proceeds, \$—. Paid employees in full to date per cheque, \$—. Paid Holden & Co. the amount of rent for the month still due them, per cheque, \$—.

Time—Lost, M. Cassells $\frac{3}{4}$ day, H. C. Fraser $\frac{1}{2}$ day, M. Stratton $\frac{1}{2}$ day.

Inventories, March 31.

Biscuit Department—Material on hand.....	\$1810 00
“ “ Goods “ “	988 80
Confectionery Department—Material on hand....	860 00
“ “ Goods “ “	685 30
Unexpired Insurance.....	—
Total.....	\$
H. L. Thompson's Net Investment.....	\$8000 00
“ “ Gain and Interest.....	—
“ “ “ Worth.....	\$ —
(Student's name here) Net Investment.....	\$5000 00
“ “ Gain.....	—
“ “ “ Worth	\$ —

At the end of the month the student will test the equilibrium of the Ledger, make financial statements, and close the books.

NOTE—The student is expected to write correspondence, notes, drafts, cheques, etc. The data are given in such a manner that separate Manufacturing and Expense Accounts may be kept for each department of the business. When this is done the Biscuit Manufacturing Account will show a gain of \$— and the Confectionery Manufacturing Account a gain of \$—. The Time Book on page 245 and the Office Time and Pay Sheet on page 246 will show the division of labor. In the latter the totals are given, so that the student may test the accuracy of this part of his work.

TIME BOOK.

The form of this book indicates clearly its use. The foreman or overseer of a work enters into it each day the time of the employees under his supervision. In small establishments it is customary for the foreman to report to the office at the close of the day. The time is then entered into the Office Time Book. Another method is to provide each foreman with two books to be used by him during alternate weeks. In such case one of the books will always be in the office. The totals should be checked before they are entered into the office book.

Time Book.—Biscuit Department.

For the week ending March 7, 1896.

AMOS C. HINE, *Foreman.*

No.	NAME.	OCCUPATION.	Mon.	Tues.	Wed.	Thur.	Fri.	Sat.	TOTAL.
			2	3	4	5	6	7	
	Cooper, B. C.		10	10	7½	7½	10	10	55
	Lane, Stephen		10	10	10	10	10	10	60
	Milloy, B. S.		10	10	10	10	7½	10	57½
	Riggs, J. S.		10	10	10	10	10	5	55
	Watt, Charles		10	10	10	10	10	10	60
	Cassells, M.		10	10	10	10	—	10	50
	Fisher, C. A.		10	10	10	10	10	10	60
	Fraser, H. C.		10	10	10	—	10	10	50

Time Book.—Confectionery Department.

For the week ending March 7, 1896.

C. S. MILLER, *Foreman.*

No.	NAME.	OCCUPATION.	Mon.	Tues.	Wed.	Thur.	Fri.	Sat.	TOTAL.
			2	3	4	5	6	7	
	Culver, J. K.		10	10	10	10	7½	10	57½
	Ney, A. F.		10	10	10	10	9	11	60
	Gilmour, E. H.		10	10	7½	10	10	7½	55
	Kennedy, M.		10	10	10	10	10	10	60
	Rhodes, R.		10	7½	10	10	10	10	57½
	Stratton, M. A.		10	10	5	7½	2½	—	35
	Sturrock, M. K.		10	10	10	10	10	—	50

APPENDIX.

OFFICE TIME AND PAY SHEET
For the Month ending March 31, 1896.

CHAPTER III.

SET I.—DRY GOODS BUSINESS.

Books used—The same as for Set I., page 219.

TRANSACTIONS.

_____, Jan. 5, 1896.

(Student's name here) has this day commenced the Dry Goods Business on _____ Street, No. —, investing as follows:

Resources—Cash, \$1,600. Mdse. as per inventory, \$925.10. A. H. Gibson owes on acct., \$175.90. C. H. Williams owes on acct., \$100.

Liabilities—My note in favor of John McMillan for \$219, dated Nov. 19, 1895, at 2 months, bearing interest at 8%, payable at the Bank of Commerce. Interest accrued, \$—. I owe A. C. Blackwell on acct., \$79.74. I owe F. M. Young on acct., \$29.

6. Engaged A. P. Stovel as clerk at \$40 for the remainder of the month. Deposited in the Bank of Commerce, cash \$1000. Bought of Appleton & Sons, for cash, a Safe for office, \$120. Paid cash for Stationery, \$2.60, and for Advertising, \$1.20. Cash sales, \$10.60.
7. Bought of McMurchy & Co., Toronto, on my acceptance at 10 days, goods as per invoice No. —, \$400. Paid freight per cheque, \$5.20. Cash sales, \$25.75.
8. Bought of S. E. Lightfoot on acct., a horse at \$75, a wagon at \$50, and a set of harness at \$20. Sold John Smith on acct., 50 yds. Scotch Tweed at \$1.20, 110 yds. 12/4 Sheeting at 38c.; \$—. Cash sales, \$30.10.
9. Sold B. B. Scott on his note at 1 month, payable at the Molsons Bank, 50 yds. Hf. Bl. Table Linen at 40c., 15 yds. Tweed Dress Goods at 70c., 50 yds. Can. Flannel at 32c.; \$—. Issued my cheque to close A. C. Blackwell's acct., \$—. Cash sales, \$42.20.
10. Bought of Seath & Sons, Montreal, goods as per invoice No. —, \$560. Remitted in payment a draft purchased per cheque (Exchange $\frac{1}{8}\%$). Paid freight per cheque, \$10.40. Paid cash for Fuel, \$6.80. Cash sales, \$38.95.
11. Paid for repairs with goods from store, \$6.50. Sold S. L. Bannerman 2 pcs. Eng. Tweed, 43 yds. at \$1.20, 42 yds. at \$1.25. Received in full payment his note at 30 days, payable at the Bank of Commerce, \$—. Cash sales, \$48.

13. Paid F. M. Young his acct. in full per cheque, \$—. C. H. Williams paid on acct., cash \$50. Cash sales, \$29.85.
14. Sold C. F. Irving on his note at 30 days, 45 yds. Black Lustre at 58c., 2 Brown Beaver Overcoats at \$21.75, 5 doz. Linen Collars at \$1.80, 2 Silk Neckties at 60c.; \$—. Paid cash for Advertising, \$1.80. Cash sales, \$42.60.
15. Bought of Harvey & Sons at 70c. on the dollar their entire stock of goods as per inventory, \$630. Gave in payment my cheque for \$200 and my note at 30 days for balance, \$—. Paid cash for Lamps, \$10, and for Coal Oil, \$2.50. Withdrew from business, cash \$25. Cash sales, \$45.70.
16. John Smith paid on acct., per cheque, \$51.80. Deposited in bank cash, \$200. Sold A. P. Stovel on acct., 3 Dress Shirts, at \$1.40; $\frac{1}{2}$ doz. Linen Collars, at \$1.80; 3 Silk Neckties, at 50c.; \$—. Cash sales, \$49.75.
17. Bought of D. C. McKay for private use, 10 cords Wood, at \$2.50. Gave in full payment my cheque, \$—. Sold C. H. Fraser on his note at 10 days, payable at the Bank of Commerce, 5 Counterpanes, at \$3.50; 3 Scotch Tweed Suits, at \$22.50; \$—. Cash sales, \$50.90.
18. Sold W. A. Mundie on acct., 90 yds. Broadcloth, at \$1.60; 1 pair Lace Curtains, at \$7.50; 1 pair Chenille Curtains, at \$12.60; 10 yds. Navy Blue Dr. Serge, at 90c.; \$—. Paid cash for Advertising, \$1.20. Cash sales, \$75.10.
19. Bought of Lawford & Co., Hamilton, on my acceptance at 30 days, goods as per invoice No.—, \$365. Paid freight per cheque, \$10.80. Paid my acceptance favor of McMurchy & Co., as per B. B., with cash, \$—. Cash sales, \$55.25.
20. Sold James McKinnon on acct., 25 yds. Nap Cloaking, at \$1.70; 4 Boys' Suits, at \$8.50; \$—. A. H. Gibson paid on acct., per cheque, \$100. Cash sales, \$65.20.
21. Paid per cheque my note favor of John McMillan, with interest, as per B. B., \$—. Bought of Stobart & Co., Toronto, on my acceptance at 60 days, goods as per invoice No.—, \$400. Paid freight with cash, \$8.60. W. A. Mundie paid on acct., cash \$60. Took goods from store for private use, \$10.50. Cash sales, \$53.85.
22. Sold F. M. Young on acct., 2 Scotch Tweed Suits, at \$22.50; 1 Brown Beaver Overcoat, at \$19.50; \$—. John Smith remitted on acct. his sight draft on C. H. Monroe for \$25. Paid cash for Stationery, \$3.10. Cash sales, \$60.15.
23. Sold James McKinnon 75 yds. Wilton Carpet, at \$2; 40 yds. Tapestry Carpet, at 90c.; \$—. He gave his note at 30 days to close account, \$—. Paid cash for repairs, \$1.20. Cash sales, \$52.15.
24. Bought of Seath & Sons, Montreal, goods as per invoice No.—, \$480. Remitted in payment a draft purchased with cash (Exchange $\frac{1}{2}\%$). Paid freight per cheque, \$10.20. Cash sales, \$70.20.

27. Sold F. C. Davin 50 yds. Black Satin, at \$1.40; 15 yds. Black Silk Velvet, at \$2.10; 5 Eiderdown Quilts, at \$10; \$—. Received his sight draft on C. K. Hutchings for \$50 and his note at 10 days, payable at the Bank of Commerce, for balance, \$—. Cash sales, \$62.36.

28. Took goods from store for private use, \$14.50. Paid cash for Office Chair, \$2.60. Paid cash for Advertising, \$2.10. Cash sales, \$49.34.

29. Paid A. P. Stovel on acct. of salary, cash, \$13.40. Deposited in bank, cash, \$20. Withdrawn for private use cash, \$10. A. H. Gibson remitted a bank draft in full payment of acct., \$—. Cash sales, \$64.85.

30. Sold C. H. Williams on acct., 25 yds. Tapestry Carpet, at 80c.; 1 pair Lace Curtains, at \$6.50; 30 yds. Factory Cotton, at 10c.; \$—. F. M. Young paid cash in full of acct., \$—. C. H. Fraser paid his note as per B. B., and the proceeds have been placed to my credit in the bank, \$—. Cash sales, \$56.85.

31. Paid S. E. Lightfoot on acct., per cheque, \$50. Paid A. P. Stovel balance of month's wages per cheque, \$20. Paid rent per cheque, \$40. Prepaid with cash my acceptance favor of Lawford & Co., as per B. B. Rate of discount 8%. Cash sales, \$52.

Inventories, Jan. 31, 1896.

Merchandise.....	\$1523 15
Office Furniture.....	122 00
Expense.....	150 00

SET I.—Continued.*Books used—The same as for Set I., page 222.***TRANSACTIONS.***—— Feb. 3, 1896.*

Re-engaged A. P. Stovel as clerk at \$50 per month. Engaged James McKenzie as errand boy at \$15 per month. Deposited in the Bank of Commerce, cash \$200. Bought of McMurchy & Co., Toronto, on my acceptance at 10 days, goods as per invoice No.—, \$300. Paid freight per cheque, \$4.75. Cash sales, \$42.90.

4. Sold James C. Lane on acct., 2 pcs. Scotch Tweed, 41 yds., 42 yds., at \$1.20; 30 yds. Farmer's Satin at 40c.; \$—. Paid cash for Stationery, \$2.60. Cash sales, \$45.65.

5. Paid S. E. Lightfoot on acct., cash \$40. Sold A. P. Stovel on acct., 3 White Dress Shirts at \$1.20, \$—. John Smith closed his acct. by giving an order on A. B. Ferguson, which Mr. Ferguson has accepted. Cash sales, \$50.73.

6. Bought of Brown Bros., London, on my acceptance at 60 days,

payable at the Bank of Commerce, goods as per invoice No.—, \$292.
 Paid freight per cheque, \$6.55. Cash sales, \$65.77.

7. Sold A. W. Thomas on his note at 10 days, 1 Scotch Tweed Suit at \$26.20, 25 yds. Tapestry Carpet at 90c., 2 pairs Lace Curtains at \$7.20 ; \$—. Withdrew for private use, cash \$16. Paid James McKenzie on acct. of wages, cash \$2.25. Cash sales, \$48.85.
8. Bought of Hendrick & Co., Montreal, goods as per invoice No. —, \$240. Remitted in payment a draft purchased with cash, \$— (Exchange $\frac{1}{8}\%$). Paid freight per cheque, \$5.84. Cash sales, \$68.75.
10. A. B. Ferguson paid John Smith's order of the 5th inst. with cash, \$—. Took goods from store for private use, \$30. W. A. Mundie paid on acct. per cheque, \$23.10. F. C. Davin settled for his note due this day as per B. B. by paying cash \$28.50, and giving a new note at 2 mos. bearing interest at 8% for balance, \$—. Cash sales, \$49.80.
11. Paid for repairs with goods from store, \$7.50. Remitted my note at 15 days, payable at the Bank of Commerce, to S. E. Lightfoot in full payment of acct., \$—. Cash sales, \$52.90.
12. Sold horse, wagon and harness to J. E. Craig at \$130. Received in payment his sight draft on T. A. Hamilton for \$100 and William Brown's note, dated Jan. 10, 1896, at 1 month for balance, \$—. B. B. Scott paid his note due this day. Proceeds deposited, \$—. Cash sales, \$58.92.
13. William Brown paid his note due this day per cheque, \$—. Sold E. H. McCarthy on acct., 50 yds. Novelty Cloaking at \$1.40, 15 yds. Brown Beaver at \$2.20, 2 Tweed Suits at \$23.20 ; \$—. Paid cash for Advertising, \$1.80. Took goods from store for private use, \$12. S. L. Bannerman paid per cheque his note, as per B. B., \$—. Deposited in bank, cash \$100. Cash sales, \$49.65.
14. James C. Lane paid on acct., cash \$50. Paid cash for Advertising, \$2.20. Paid cash for Fuel, \$6.20. Cash sales, \$42.25.
15. Prepaid my acceptance favor of Brown Bros. with cash. Rate of discount 8%, \$—. Deposited as an addition to my investment, cash \$600. Cash sales, \$75.20.
17. Bought of Stone & Hardy, Hamilton, on my acceptance at 30 days, goods as per invoice No. —, \$395. Took goods from store for private use, \$10.15. Paid per cheque my acceptance favor of McMurchy & Co. as per B. B., \$—. Paid per cheque my note favor of Harvey & Sons as per B. B., \$—. Cash sales, \$37.50.
18. Sold E. C. Ellis on acct., 25 yds. Black Lustre at 62c., 40 yds. Factory Cotton at 8c.; \$—. Paid cash for delivering goods, \$1.60. Cash sales, \$38.95.
19. C. H. Williams paid on acct. per cheque, \$29.50. E. H. McCarthy paid on acct., cash \$50. Sold A. B¹ Ferguson on acct. 15 yds. Garnet Silk Velvet at \$2, 3 yds. Blue Plush at \$1.20 ; \$—. Cash sales, \$49.20.

20. Sold John C. Farquharson on his note at 2 months, 2 doz. pairs Josephine Kid Gloves at \$1.30 per pair, 3 doz. Undressed Kid Gloves at \$1.50 per pair, 2 doz. Ladies' Linen Hkfs. at \$3.60; \$. Paid cash for delivering goods, \$1.20. A. W. Thomas paid his note per cheque, \$—. Cash sales, \$56.20.

21. Sold James C. Lane 25 yds. White Cambric at 20c., 30 yds. Victoria Lawn at 25c., 10 prs. Blk. Cashmere Hose at 50c., 5 pairs Blk. Rbd. Cashmere Hose at 70c.; \$—. Received in payment his note at 10 days, payable at the Bank of Commerce. Took goods from store for private use, \$12.65. Cash sales, \$29.30.

22. W. A. Mundie paid on acct., cash \$50. C. F. Irving remitted a draft in full payment of his note due on the 16th inst. Interest charged, 25c. Proceeds deposited, \$—. Cash sales, \$62.55.

24. Bought of Williamson & Co., Toronto, on my acceptance at 30 days, goods as per invoice No. —, \$350. Paid freight per cheque, \$6.50. Cash sales, \$49.85.

25. C. H. Williams gave his note at 30 days in full payment of acct., \$—. Withdrew for private use cash, \$10. James C. Lane remitted on acct. his sight draft on A. H. Forbes for \$40. Cash sales, \$55.60.

26. Paid James McKenzie on acct. of wages with goods, \$5.75. James McKinnon paid his note due this day per cheque, \$—. Took goods from store for private use, \$5.60. Cash sales, \$48.20.

27. Deposited in bank, cash \$200. Prepaid my acceptance favor of Stobart & Co., Toronto, per cheque. Rate of discount 8%. Cash sales, \$36.20.

28. Sold W. W. Miller on acct. 2 Tweed Suits at \$23.50, 70 yds. Brussels Carpet at \$1.40, 40 yds. Tapestry Carpet at \$1.05, 1 pair Lace Curtains at \$6.20; \$—. A. B. Ferguson paid cash in full payment of acct., \$—. Cash sales, \$47.73.

29. Paid A. P. Stovel per cheque, balance of month's wages, \$—. Paid James McKenzie balance of month's wages with cash, \$—. Paid rent per cheque, \$40. Paid cash for delivering goods, \$4.20. Paid my note favor of S. E. Lightfoot, per cheque, \$—. Cash sales, \$50.27.

Inventories, Feb. 29, 1896.

Merchandise.....	\$1278 84
Office Furniture.....	120 00
Expense.....	5 00
Int. and Dis.....	—

SET II.

The transactions of this Set are the same as those of Set I. For the month of January the books are to be kept by Double Entry and for the month of February by Single Entry. The books used are the same for Set II., page 224.

SET III.—GROCERY AND PROVISION BUSINESS.

PARTNERSHIP—TWO PARTNERS.

Books used—The same as for Set III., page 225.

TRANSACTIONS.

—, March 4, 1896.

(Student's name here) and James Wilson have this day entered into a co-partnership to carry on a Grocery and Provision Business at No.— Street, agreeing to share gains and losses according to investment. The business is to be conducted under the firm name of (Student's surname here) & Wilson.

(Student's name here) investment :

Resources—Cash, \$3200. John Abell's note for \$182.50, dated Jan. 8, 1896, at 2 months, bearing interest at 8%.

Liabilities—Balance due to A. A. Scott on acct., \$35. Balance due to Murray & Fraser on acct., \$190.74.

James Wilson's investment :

Resources—Cash on deposit in the Bank of Montreal, \$1500. Mdse., \$2200. Office Furniture on hand, \$36.

Liabilities—Note in favor of Peter Corbett, dated Jan. 2, 1896, at 3 months, for \$300.

Leased of J. K. Patterson his store and warehouse at \$600 per annum, payable monthly.

Engaged J. K. Patterson as book-keeper at \$60 per month.

5. Deposited in the Bank of Montreal cash, \$1200. Bought of Hammond & McKay, Toronto, 10 sacks B. Rice, 250 lbs. each at $3\frac{3}{4}$ c., 15 sacks Pearl Tapioca, 100 lbs. each at 4c., 25 boxes Valencia Raisins at \$1.60, 30 boxes Oatmeal Soap at \$4.50 ; \$—. Gave in payment our acceptance at 30 days payable at the Bank of Ottawa. Paid cash for freight, \$10.20. Cash sales, \$45.60.
6. Sold C. C. Burley on acct., 3 cases canned Pears at \$3.90, 40 gals. M. Vinegar at 50c., 100 lbs. S. C. Ham at 14c. ; \$—. James Wilson withdrew for private use per cheque, \$20. Cash sales, \$39.75.
7. Sold A. H. McFarlane on his note at 2 months, payable at the Bank of Montreal, 6 doz. cans Peaches at \$3.80, 10 doz. cans Salmon at \$1.40, 20 crates Peaches at \$1.15, 200 lbs. Yellow Sugar at $4\frac{3}{4}$ c. ; \$—. Paid cash for cleaning store, \$2.40. Cash sales, \$55.90.
9. Bought of Hastings & Co., Hamilton, 4 bbls. Gran. Sugar, 301-21, 317-20, 318-21, 321-21, at $4\frac{1}{2}$ c., 3 bbls. Yellow Sugar, 340-20, 343-23, 329-21, at $3\frac{5}{8}$ c.; \$—. Gave in payment our cheque for \$50, and our acceptance at 30 days for balance ; \$—. Paid freight per cheque, \$8.20. Cash sales, \$32.40.
10. Paid Murray & Fraser per cheque, \$100. Sold A. M. Merrick, 10

gals. M. Vinegar at 45c., 5 bbls. Pat. Process Flour at \$3.65, 200 lbs. Smoked Ham at 14c.; \$—. Received in payment their sight draft on H. A. MacLean for \$20, the balance on acct.; \$—. Cash sales, \$46.20.

11. John Abell paid his note as per B.B., with interest, per cheque, \$—. (*Student's name here*) withdrew for private use, cash, \$19. Cash sales, \$38.72.
12. Bought of Raymer & Co., Montreal, 3 bbls. Golden Syrup, 78 gals., 82 gals., 80 gals., at 32c.; \$—. Remitted in full payment a draft purchased per cheque. (Exchange 25c.) Paid cash for freight, \$5.60. Deposited in bank, cash, \$500. Cash sales, \$46.15.
13. C. C. Burley gave us an order on A. A. Scott for \$30, which Mr. Scott accepts. Prepaid our acceptance in favor of Hammond & McKay as per B.B., per cheque. Discount allowed, \$1.75. Cash sales, \$39.25.
14. Paid J. K. Patterson on acct. of salary, cash, \$12. Sold H. H. Caldwell, on acct., 100 lbs. Smoked Ham at 14c., 12 sacks Patent Process Flour at \$1.90, 28 lbs. Tapioca at $4\frac{1}{2}$ c.; \$—. Cash sales, \$72.30.
16. Sold C. C. Burley on acct., 300 lbs. Spiced Roll at 10c., 500 lbs. Bk. Bacon at 11c.; \$—. Paid cash for Stationery, \$2.40. Cash sales, \$35.80.
17. A. H. McFarlane prepaid his note as per B.B. with cash. Discount allowed, 30c. A. M. Merrick paid on acct., cash, \$20. Cash sales, \$41.10.
18. Sold Alex. Stewart, on his note at 2 months, payable at the Bank of Montreal, 100 bush. Potatoes at 30c., 12 sacks Gran. Oatmeal at \$2.25, 10 doz. Eggs at $12\frac{1}{2}$ c.; \$—. Paid cash for Fuel, \$1.20. Cash sales, \$35.65.
19. Bought of Harrington & Co., at 60c. on the dollar, their stock of goods as per inventory, \$600. Gave in payment our note at 3 months, payable at the Bank of Ottawa, for \$219, and our cheque for balance. Paid cash for removing goods, \$5.80. Cash sales, \$44.75.
20. Sold Peter Smith, on his note at 1 month, 10 bbls. Apples at \$2.25, 25 bush. Potatoes at 22c., 12 doz. Eggs at 13c.; \$—. Paid J. K. Patterson per cheque, on acct. of salary, \$8. James Wilson withdrew for private use, cash, \$16. Cash sales, \$38.70.
21. Sold James Wilkie, on acct., 5 cases Canned Pears at \$4.20, 10 sacks Rolled Oats at \$2.20; \$—. Paid per cheque the balance due A. A. Scott on acct., \$—. Cash sales, \$62.35.
23. Sold A. M. Merrick, on acct., 5 boxes Bloater at \$1.40, 25 bush. Potatoes at 24c., 5 bbls. Apples at \$2.25, 150 lbs. Yellow Sugar at 4c.; \$—. Cash sales, \$39.75.
24. C. C. Burley gave his note at 2 months, payable at the Bank of

Montreal, to close acct.; \$—. Paid cash for repairs, \$3.75. Cash sales, \$45.90.

25. Discounted per cheque our note favor of Harrington & Co., as per B.B. Rate of discount 8%. Cash sales, \$52.40.

26. Sold H. C. Peters, on acct., 10 lbs. Ceylon Tea at 45c., 25 lbs. Mocha Coffee at 50c.; \$—. James Wilson withdrew for private use, cash, \$80. Cash sales, \$42.40.

27. H. H. Caldwell paid on acct. per cheque, \$18. Deposited in bank, cash, \$500. Cash sales, \$29.85.

28. Paid for repairing store, with goods, \$6.20. Sold H. C. Peters, on acct., 60 lbs. Gran. Sugar at 5c., 50 lbs. Japan Tea at 45c.; \$—. Paid cash for Advertising, \$3.80. Cash sales, \$59.85.

30. Bought of Hastings & Co., Hamilton, 24 sacks B. Rice, 250 lbs. each, at $3\frac{3}{4}$ c.; 15 sacks Patna Rice, 100 lbs. each, at 4c.; \$—. Remitted in full payment draft purchased with cash. (Exchange $\frac{1}{8}\%$.) Cash sales, \$37.30.

31. Paid 1 month's rent, per cheque, \$—. Paid J. K. Patterson, per cheque, balance of salary for the month, \$—. Cash sales, \$40.25.

Inventories, March 31, 1896.

Merchandise.....	\$2106 21
Office Furniture.....	30 00

SET IV.—GENERAL PROVISION AND SHIPPING BUSINESS.

PARTNERSHIP—THREE PARTNERS.

Books used—The same as for Set IV., page 230.

TRANSACTIONS.

—, April 2, 1896.

(Student's name here) and James Wilson have this day admitted W. J. Chisholm as a partner to carry on a General Provision and Shipping Business, under the firm name of (Student's name here) Wilson & Co. They agree to share gains and losses in proportion to investment.

W. J. Chisholm invests cash, \$900; Mdse., \$2200.

3. Deposited in the Bank of Montreal, cash \$1000. Took out an open policy of insurance for \$6000 at $\frac{3}{4}\%$. Paid premium with cash, \$—. Re-engaged J. K. Patterson as book-keeper at \$70 per month. Engaged James Sutton as errand boy at \$20 per month. Cash sales, \$32.75

4. Sold Murray & Fraser on their note at 2 months, payable at the Bank of Montreal, 10 Dressed Hogs, 2120 lbs., at \$5.20; \$—. Paid drayage per cheque, \$2.50. Cash sales, \$69.20.

6. Bought of J. A. Campbell for cash, 1000 bush. Potatoes at 20c., which we shipped to Caverhill & Co., London, to be sold on our acct. and risk. Paid shipping expenses per cheque, \$4.50. Paid per cheque our note favor of Peter Corbett, \$—. Cash sales, \$52.30.
7. Received from H. E. Weldon, Guelph, to be sold on his acct. and risk, 300 sacks Matchless Flour invoiced at \$1.45; paid freight per cheque, \$8.40. Cash sales, \$50.35.
8. Sold A. D. McKinnon on his note at 10 days, payable at the Bank of Commerce, 6 bbls. Patent Process Flour at \$3.60, 100 sacks Matchless Flour, from H. E. Weldon's consignment No. 1, at \$1.70; \$—. Paid cash for Stationery, \$1.10. Cash sales, \$62.90.
9. Accepted H. E. Weldon's draft at 10 days for \$200, payable at the Bank of Montreal. H. C. Peters remitted on acct. a sight draft on R. S. McClary for \$25. Cash sales, \$60.45.
10. Sold H. P. Pollock 200 bush. Wheat at 48c., 500 lbs. Pickled Pork at 10c., 200 sacks Matchless Flour from H. E. Weldon's consignment No. 1 at \$1.70. Received in payment his sight draft on F. H. Hurley for \$400 and his note at 30 days for balance, \$—. Cash sales, \$64.90.
11. (*Student's name here*) withdrew for private use, cash \$22.80. Paid our acceptance favor of Hastings & Co., per cheque, \$—. Rendered H. E. Weldon an acct. sales of his first consignment, charging 2% commission, \$2.60 for storage, \$3.20 for drayage and \$1.60 for insurance. Net proceeds, \$—. Remitted a bank draft purchased per cheque with net proceeds due the shipper. (Exchange $\frac{1}{8}\%$.) Cash sales, \$75.20.
13. Caverhill & Co. rendered an acct. sales of our shipment to them of the 6th inst. Our net proceeds, \$220. They remitted Jas. C. Dobson's note due to-day for \$100, and cash for balance, \$—. J. C. Dobson paid his note per cheque. Cash sales, \$53.60.
14. James Wilson withdrew for private use, cash \$26.40. Shipped to Logan & Sons, Hamilton, to be sold on our account and risk, 25 bbls. Can. Heavy Mess Pork at \$15, 1200 lbs. Pickled Pork at 9c., 100 tubs Lard 60 lbs. each net, at 10c.; \$—. Paid shipping expenses per cheque, \$13.20. Cash sales, \$46.90.
15. Drew on Logan & Sons at 15 days for \$500. Received from H. E. Weldon, Guelph, his second consignment, consisting of 200 sacks Matchless Flour invoiced at \$1.50. Paid freight with cash, \$6.30. Cash sales, \$52.75.
16. James Wilkie paid on acct., cash \$23. Sold H. H. Caldwell 500 lbs. Long Clear Bacon at 10c., 3 sacks Standard B. Rice, 250 lbs. each, at 5c.; \$—. He remitted his note at 10 days to close acct., \$—. Accepted H. E. Weldon's draft at 30 days, payable at the Bank of Montreal, for \$50. Cash sales, \$60.10.
17. Sold J. A. Adams on his note at 10 days, 100 sacks Matchless Flour

from H. E. Weldon's consignment No. 2 at \$1.60; \$—. Discounted Logan & Sons' acceptance at 8%. Proceeds deposited \$—. Cash sales, \$49.90.

18. Sold C. H. Young 5 bbls. Strong Baker's Flour at \$3.60, 90 sacks Matchless Flour from H. E. Weldon's consignment No. 2 at \$1.60; \$—. Received in payment his sight draft on Montgomery & Co. for \$100 and his note at 30 days for balance. Sold 10 sacks Matchless Flour (damaged) from H. E. Weldon's consignment No. 2 for cash, \$3. Cash sales, \$73.45.

20. Bought of Rutherford & Co., Toronto, for cash, 100 sacks Rolled Oats at \$1.50, 30 sacks Cornmeal at \$1.70, 1000 lbs. Bk. Bacon at 11c.; \$—. Paid freight per cheque, \$13.60. Paid John Scott, with goods, for repairs, \$6.20. Cash sales, \$39.20.

21. Rendered H. E. Weldon an acct. sales of his second consignment, charging 2% commission, \$2.40 for storage, \$2.80 for drayage, and \$1.30 for insurance. Net proceeds, \$—. Remitted in payment J. A. Adams' note (taken at face value) and cash for balance due the shipper, \$—. A. D. McKinnon paid his note due this day per cheque, \$—. Cash sales, \$49.70.

22. Logan & Sons rendered an acct. sales of our shipment to them of the 14th inst. Our net proceeds, \$1125. They remitted in payment our acceptance favor of H. E. Weldon due this day for \$200, a sight draft on W. W. Harris for \$300 and placed the balance to our credit, \$—. Cash sales, \$59.55.

23. Shipped to Logan & Sons, Hamilton, to be sold on our acct. and risk, 40 Dressed Hogs, 8800 lbs., at \$5.40. Paid shipping expenses per cheque, \$15.60. Peter Smith paid his note per cheque, \$—. Cash sales, \$61.20.

24. Sold John Black on acct., 300 lbs. S. C. Ham at 13c., 60 lbs. Mocha Coffee at 42c.; \$—. Paid cash for Fuel, \$6.90. Cash sales, \$55.40.

25. Remitted a draft, purchased with cash, in full payment of Murray & Fraser's acct. Exchange 25c. Bought of D. W. Wright for cash, an Office Desk, \$60. Cash sales, \$82.35.

27. (*Student's name here*) withdrew for private use, cash \$80. Paid J. K. Patterson on acct. of salary, cash \$20. Cash sales, \$56.70.

28. Drew on Logan & Sons at 30 days for \$365. James Wilson withdrew for private use, per cheque, \$60. Cash sales, \$64.20.

29. Bought of T. C. Palliser on our note at 2 months, 2000 bushels Early Burpee Potatoes at 30c., which we immediately shipped to Smith & Galloway, Toronto, to be sold on our account and risk, \$—. Paid shipping expenses per cheque, \$13.40. H. H. Caldwell remitted his cheque in payment of his note due this day, \$—. Discounted Logan & Sons' note for \$365 at 8%. Proceeds deposited, \$—. Cash sales, \$53.10.

30. Logan & Sons rendered an acct. sales of our second shipment to

them. Our net proceeds, \$500. They remitted to us cash, \$100. Paid J. K. Patterson per cheque, balance of month's salary, \$—. Paid James Sutton wages for the month per cheque, \$20. Paid rent per cheque, \$50.

Inventories, April 30th, 1896.

Merchandise.....	\$1476 64
Shipment to Smith & Galloway, No. 1.....	613 40
Office Furniture.....	88 00
Fuel.....	5 60
Insurance (unexpired premium)	30 00

SET V.—WHOLESALE PROVISION AND COMMISSION BUSINESS.

Books used—The same as for Set IV.

PARTNERSHIP—FOUR PARTNERS.

TRANSACTIONS.

—May 4, 1896.

The firm has this day admitted John Hodgson as a partner, gains and losses to be shared in proportion to investment. Mr. Hodgson invests as follows:

Resources—Mdse. as per inventory, \$2700. M. C. McDougall's note at 2 months, dated Feb. 6, 1896, for \$400. J. H. Brown's note at 2 months, dated March 12, 1896, for \$250. C. P. Gilroy owes on acct., \$96.50. H. A. Waddell owes on account, \$39.60.

Liabilities—Note favor of George King for \$76.10, dated Jan. 7, 1896, at 5 months, payable at the Bank of Commerce. Note favor of Alex. Crichton for \$92, dated Jan. 22, 1896, at 4 months, payable at the Bank of Ottawa.

Re-engaged J. K. Patterson as accountant at \$80 per month. Engaged D. A. McClure as clerk at \$40 per month.

5. Bought of Mason & Co., Guelph, for cash, 25 bbls. Shoulder Mess Pork at \$13; 5 tubs Creamery Butter, 62, 64, 53, 65, 63, tare 8 lbs. each, at 14c.; 40 sacks Rolled Oats at \$1.53; \$—. Paid freight per cheque, \$10.60.
6. Shipped to Symington & Co., Kincardine, for sale on joint acct., each one-half, 100 bbls. Baldwin Apples at \$1.75, 200 bbls. Snow Apples at \$1.80; \$—. Paid shipping expenses with cash, \$16.50. W. J. Chisholm withdrew for private use, cash \$21.
7. Smith & Galloway rendered an acct. sales of our shipment of the 29th ult. Our net proceeds, \$590.40. They remitted a bank draft purchased with the amount due us, which we deposited, \$—. Paid petty expenses per cheque, \$3.20.

8. Shipped to Logan & Sons, Hamilton, to be sold on joint acct., each one-half, 20 bbls. Shoulder Mess Pork at \$13.10, 20 bbls. Can. Heavy Mess Pork at \$14.60, 80 tubs Lard, 60 lbs. each, net, at 10c.; \$—. Paid shipping expenses per cheque, \$10.60. A. M. Merrick remitted his sight draft on Walker & Co. in full payment of acct., \$—.
9. M. C. McDougall paid his note due this day per cheque, \$—. Paid J. K. Patterson on acct. of salary per cheque, \$20. (*Student's name here*) withdrew cash, \$31. Paid petty expenses with cash, \$13.10.
11. Received from Gibson & Co., Paisley, to be sold on joint acct., each one-half, 200 boxes Factory Cheese, 12,000 lbs. gross, tare 1100 lbs., at $7\frac{3}{4}$ c.; \$—. They paid shipping expenses, \$6.25, and on receiving the goods we paid freight per cheque, \$14. James Wilkie paid on acct. cash, \$10. James Wilson withdrew for private use cash, \$133.
12. Symington & Co., Kincardine, rendered an acct. sales of our shipment (first) to them on joint acct. of the 6th inst. Our $\frac{1}{2}$ net proceeds, \$290.75. They remitted a sight draft on Baker & Son for \$280 and their note at 10 days to close acct., \$—. Paid petty expenses per cheque, \$5.20.
13. H. P. Pollock paid his note as per B.B. with cash, \$—. Drew on Logan & Sons at 10 days for \$360. Accepted Gibson & Co.'s draft on us at 10 days for \$200, payable at the Bank of Montreal. W. J. Chisholm withdrew for private use per cheque, \$10. Paid D. A. McClure on acct. of salary per cheque, \$15.
14. Bought of Cooper & Smith, Seaforth, 120 bbls. Northern Spy Apples at \$1.70, 120 sacks Cornmeal at \$1.65, 200 sacks Rolled Oats at \$1.50; \$—. Remitted Logan & Sons' acceptance for \$360 and cash for balance, \$—. Paid freight per cheque, \$16.80. Paid petty expenses per cheque, \$3.90.
15. Sold C. H. Perley for cash the whole of Gibson & Co.'s consignment on joint acct. of the 11th inst., at \$880, and rendered an acct. sales of the same. Charges: freight \$14, drayage \$1.40, storage 1c. per box; \$—; insurance \$1.80, commission $2\frac{1}{2}\%$ on sales; \$—. Our $\frac{1}{2}$ net proceeds, \$—. Gibson & Co.'s $\frac{1}{2}$ net proceeds, \$—. Remitted our cheque issued for the whole amount due the consignor, \$—. J. H. Brown paid his note due this day per cheque, \$—.
16. Sold M. A. Allen on his note at 30 days, payable at the Bank of Montreal, 100 bbls. Northern Spy Apples at \$1.90, 50 sacks Rolled Oats at \$1.65, 40 kegs Mixed Pickles, 5 gals. each at 50c.; \$—. John Black paid on acct. cash, \$20. Paid petty expenses per cheque, \$10.20.
18. Bought of Symington & Co., Kincardine, 50 tubs Creamery Butter, 3250 lbs. gross, tare 450 lbs., at 15c.; \$—. Remitted in full pay-

ment a bank draft purchased per cheque, \$—.* Paid freight per cheque, \$6.10. Deposited in bank, cash \$1000.

19. Paid our acceptance favor of H. E. Weldon, due this day as per B.B., per cheque, \$—. H. A. Waddell paid his acct. in full with his sight draft on C. P. Gilroy, \$—.
20. H. C. Peters has failed. Received cash in payment of our acct. at 60c. on the dollar, \$—. Paid petty expenses per cheque, \$7.80.
21. Bought of Meredith & Co., Goderich, for shipment to Smith & Galloway, Toronto, on joint acct. each one-half, 1000 bbls. Fine Salt at \$1.20, \$—. Remitted in full payment a bank draft for which we issued our cheque, \$—. Paid shipping expenses per cheque, \$20.50. Retired C. H. Young's note due this day on receipt of a new note bearing interest at 10%, \$—.
22. Logan & Sons, Hamilton, rendered an acct. sales of our shipment to them of the 8th inst. on joint acct. Our $\frac{1}{2}$ net proceeds, \$532.30. Drew on them at 15 days to cover net proceeds and close acct., \$—. Paid J. K. Patterson on acct. of salary cash, \$10. Paid petty expenses per cheque, \$3.45.
23. Sold James Wilkie on acct., 5 tubs Creamery Butter, 58 lbs. each net, at 18c., 3 sacks Rolled Oats, at \$1.65; \$—. Bought of A. L. Robinson, 320 bush. Potatoes at 20c.; \$—. Gave in full payment an order on C. P. Gilroy.
25. Retired Symington & Co.'s note on receiving cash \$100 and a new note at 30 days bearing interest at 10% for balance of old note, \$—. Paid Alex. Crichton's note per cheque, \$—.
26. Discounted Logan & Sons' acceptance dated 22nd inst. at 8%. Proceeds deposited, \$—. Paid our acceptance favor of Gibson & Co. per draft, for which we issued our cheque, \$—.
27. C. P. Gilroy remitted his cheque in full payment of acct., \$—. Alex. Stewart's note was held until to-day at his request. He paid it in full per cheque, with interest at 10% after the date of maturity. C. C. Burley paid his note in full with cash, \$—.
28. Sold J. C. Burns, on his note at 2 months, 200 bush. Potatoes at 25c., \$—. Paid cash for repairs, \$3.90.
29. Prepaid our note favor of T. C. Palliser with cash. Rate of discount, 8%.
30. Paid J. K. Patterson the balance of month's salary per cheque, \$—. Paid D. A. McClure the balance of month's salary per cheque, \$—. Paid rent for the month per cheque, \$50.

Inventories, May 30, 1896.

Merchandise.....	\$3894 43
Office Furniture.....	80 00
Insurance (unexpired premium).....	15 00
Interest and Discount.....	—
Shipment Co., C.....	—

*When the rate of exchange is not given it is to be taken at 1%.

SET VI.—MANUFACTURING BUSINESS.

Books used—Same as for Set VI., page 239.

—Sept. 1, 1896.

William Symington and (*Student's name here*) have this day formed a co-partnership for the purpose of carrying on a Lumber Manufacturing Business under the firm title of Symington & (*Student's surname here*). Either partner is to be allowed interest at the rate of 7%, on the excess of his net investment over that of the other. After deducting such interest, gains and losses are to be shared equally.

C. C. Milverton leased to us his sawmill, lumber yard and office, situate on Sanford Street for a period of 3 years at \$2280 per annum, payable monthly.

William Symington invests cash, \$5000; J. A. Young's note dated June 9, 1896, at 3 months, payable at the Imperial Bank, for \$438. This note bears interest at 9%. Total, \$—.

(*Student's name here*) invests cash, \$4000, Material as per inventory, \$3160; Lumber, etc., as per inventory, \$2400. Total, \$—.

Engaged C. H. Peters as accountant at \$840 per annum, J. S. Griffin as lumber yard foreman at \$600 per annum, R. C. Perrin and H. B. Huston as lumber yard hands at \$26 per month, A. H. Scott as delivery teamster at \$26 per month. M. H. Forrest as sawmill foreman at \$720 per annum, Jas. Collier as filer at \$45.50 per month, W. W. Howey as sawyer at \$45.50 per month, A. Fenwick as setter at \$45.50 per month, R. G. Walton as edger, W. F. Spencer as trimmer, James Herchmer as scaler, each at \$39 per month; C. P. Baker as engineer at \$52 per month, John Kenny as fireman at \$26 per month, J. H. Edwards as mill teamster at \$26 per month, Jacob Carson and A. H. Harris as mill hands at \$1 per day. Services of all employees to commence to-day.

Bought of Carswell & Sons on our acceptance at 15 days, a Team, Wagon and Harness (for delivering lumber) at \$250; also a Team with outfit for logging at \$280. Bought of Smith & Co. for cash, Oil and other supplies for mill as per invoice No. —, \$30.

2. Deposited in the Bank of Ottawa, cash \$6000. Bought of Doughty & Co., Pembroke, on our acceptance at 10 days, Logs as per invoice No. —, \$700. Paid for floating logs to mill per cheque, \$48.50. Bought of Bannerman & Co., Revelstoke, for cash, B. C. Cedar Shingles as per invoice No. —, \$600. Paid freight per cheque, \$75.

Time—Lost, W. F. Spencer $\frac{1}{4}$ day, Jacob Carson $\frac{1}{2}$ day.

3. Took out Insurance Policy for \$5000 for one year. Paid premium per cheque, \$180. Sold C. A. Kernighan on his note at 10 days:

100 pes. 2" x 4" x 12' S. 1 S. & 1 E. }
 100 pes. 2" x 4" x 14' " } at \$14.50 per M.*
 100 pes. 2" x 4" x 16' " }
 181 ft. B.M. 1' 3rd Clear W.P. 10' Rf. }
 659 ft. " " " 12' " }
 554 ft. " " " 14' " } at \$34.50 per M.
 792 ft. " " " 16' " }
 99 ft. " " " 18' " }
 5000 ft. " 6' Shiplap at \$12 per M.

25000 XXX Sawn Shingles at \$2.60 per M.

Time—Lost, W. F. Spencer $\frac{1}{2}$ day, J. H. Edwards, $\frac{1}{4}$ day.

4. Sold M. C. Alton on his acceptance at 15 days:

20 pes. 4" x 4" x 18' R.P. } at \$16 per M.
 25 pes. 8" x 10" x 30' R.P. }

6000 ft. B.M. 1" 1st Clear W.P. at \$45 per M.

10000 ft. B.M. 1" Selects at \$32 per M.

4800 ft. B.M. 1" Clear B.C. Cedar at \$50 per M.

Time—Lost, A. Fenwick $\frac{1}{2}$ day.

5. Paid M. H. Forrest on acct. of wages per cheque, \$10. Bought of Percival & Larkin, Ottawa, Logs as per invoice No. —, \$480. Remitted in payment a draft purchased per cheque (Exchange $\frac{1}{8}\%$.) William Symington withdrew from business per cheque, \$20.

7. Sold A. H. Sanders, Brockville, on his acceptance at 30 days:

10000 ft. B.M. Bevel Siding W.P. at \$22 per M.

30000 B.C. Dimension Shingles at \$4 per M.

25000 Pine Lath at \$2.80 per M.

(Student's name here) took from yard for private use, 8000 No. 1 Pine Shingles at \$2.75 per M.

Time—Lost, H. B. Huston $\frac{1}{2}$ day, A. H. Scott 1 day.

8. Sold H. D. McLellan on acct.:

20 pes. 3" x 6" x 18' R.P. at \$20 per M.

30 pes. 4" x 6" x 12' White Oak at \$54 per M.

Sold W. C. McKirchar for cash:

3000 ft. B.M. 1" Clear B.C. Cedar at \$50 per M.

Time—Lost, W. W. Howey $\frac{1}{4}$ day, R. G. Walton $\frac{1}{2}$ day.

9. Sold S. H. Cann on acct.:

6000 ft. B.M. 1st B.C. Fir Flooring at \$36 per M.

5000 ft. B.M. 1st Cedar Siding at \$34 per M.

Bought of Davidson & Barratt, Arnprior, Logs as per invoice No. —, \$800. Remitted in payment a draft purchased per cheque (Exchange $\frac{1}{8}\%$.) Paid for removing logs to saw-mill, cash, \$36.

Time—Lost, Jas. Collier $\frac{1}{2}$ day, John Kenny 1 day.

10. Paid C. H. Peters on acct. of wages per cheque, \$10. Sold A. H.

*In the case of lumber or timber, the price of 1000 ft. board measurement is to be taken throughout this exercise, unless otherwise specified.

Mackay for cash, 5 loads Slabs at \$1.10 per load. Bought of Dixon & Sons, Montreal, for cash, a Safe for office, \$120. Paid freight per cheque, \$6.50. William Symington withdrew cash, \$20.

Time—Lost, R. C. Perrin $\frac{1}{2}$ day.

11. Sold Jas. Aird on his note at 10 days:

10 pcs. 3" \times 8" \times 24' Tamarac at \$16 per M.

5000 ft. B.M. 1st Bevel Siding, W.P., at \$23 per M.

Shipped per order of C. K. Lumsden, Brockville:

5000 ft. B.M. 1st Cedar Siding at \$39 per M.

6000 ft. B.M. Red Cherry, Rough, at \$60 per M.

Time—Lost, Jas. Collier $\frac{1}{2}$ day, Jas. Herchmer $\frac{1}{4}$ day, A. H. Harris $\frac{1}{2}$ day.

12. J. A. Young paid in full his note with interest as per B.B. The bank has credited us with the proceeds, \$—. Paid cash for Stationery and Postage, \$1.80. Paid C. P. Baker on acct. of wages per cheque, \$10.

14. S. H. Cann remitted on acct. his sight draft on E. A. Marling for \$186. C. C. Milverton has added new machinery as per terms of contract, valued at \$146. We advanced for him cash in full payment at 8%.

Time—Lost, A. Fenwick 1 day, Jacob Carson $\frac{1}{4}$ day.

15. Paid per cheque our acceptance favor of Doughty & Co., as per B.B., \$—. Bought of Percival & Larkin, Ottawa, on our acceptance at 30 days, Logs as per invoice No. —, \$365. Paid cash for cleaning office, \$1.40. Paid W. W. Howey on acct. of wages per cheque, \$5. Paid J. H. Edwards on acct. of wages per cheque, \$2.50.

16. C. A. Kernighan remitted in payment of his note due this day as per B.B., his sight draft on Snyder & Co. for \$98.42 and a new note at 30 days bearing interest at 8% for balance of old note, \$—. H. D. McLellan paid on acct., cash \$20.

Time—Lost, R. G. Walton $\frac{1}{2}$ day, Jas. Collier $\frac{1}{2}$ day.

17. Sold L. E. Farquharson on acct.:

30 pcs. 6" \times 6" \times 18' Hemlock at \$12 per M.

12 pcs. 4" \times 12" \times 24' Pine at \$20 per M.

(Student's name here) withdrew from business per cheque, \$40.

Time—Lost, A. H. Harris $\frac{1}{4}$ day.

18. Engaged John Roberts and Jas. Cameron as mill hands at \$1 per day. Services to commence on Monday the 21st inst. L. E. Farquharson returned 3 pcs. 4" \times 12" \times 24' Pine Timber sold to him on the 17th inst. Deposited in bank cash, \$300. Paid J. S. Griffin on acct. of wages per cheque, \$15.

Time—Lost, H. B. Huston 1 day, James Collier $\frac{1}{2}$ day.

19. Sold T. C. Jones, on his note at 60 days, 3550 ft. B.M. 1 inch Clear Red Pine Lumber at \$32 per M., \$—. Paid per cheque our acceptance favor of Carswell & Sons due this day as per B.B., \$—.

Paid A. H. Harris the full amount of wages due him per cheque, \$—, and discharged him.

Time—Lost, R. C. Perrin $\frac{1}{2}$ day, Jas. Herchmer $\frac{1}{4}$ day, A. H. Harris $\frac{1}{2}$ day.

21. Sold A. M. Winkler, on his acceptance at 60 days, 3240 ft. B.M. 6 inch W.P. Siding at \$36 per M., 2600 ft. B.M. 8 inch Shiplap at \$20 per M.; 4000 XXX Sawn Shingles at \$3 per M., \$—. Discounted A. M. Winkler's acceptance at 8%; proceeds deposited, \$—. William Symington withdrew for private use, cash, \$47.07.
22. Bought of Liddell & Co., Logs as per invoice No.—, \$1000. Gave in payment, cash, \$600 and our note at 30 days for balance, \$—. M. C. Alton remitted in payment of his acceptance due this day, as per B.B., his sight draft on Farren & McMurry for \$400, and a bank draft for balance, \$—.

Time—Lost, H. B. Huston $\frac{1}{4}$ day, Jacob Carson $\frac{1}{4}$ day.

23. Received from C. K. Lumsden on acct., O. H. Holloway's note for \$255.50, dated Aug. 6, 1896, at 3 months.* This note bears interest at 8%. Engaged P. Macpherson and R. H. Robbins as mill hands at \$1.10 per day; services to commence on the 24th inst.

Time—Lost, A. Fenwick $\frac{1}{4}$ day.

24. Sold Matthew Fisher, on acct., 3250 ft. 1st Clear White Pine Finishings at \$60; 6000 Pine Lath at \$2.80 per M.; 14000 B.C. Cedar No. 1 Shingles at \$3 per M.; \$—. Paid cash for repairing office, \$1.20.

Time—Lost, R. G. Walton $\frac{1}{4}$ day, Jacob Carson $\frac{1}{2}$ day.

25. L. E. Farquharson paid on acct., per cheque, \$20. Bought of Robertson & Co., Montreal, for cash, supplies for mill, as per invoice No. —, \$25.

26. Prepaid our acceptance favor of Percival & Larkin, as per B.B., per cheque. Rate of discount 8%. Paid W. F. Spencer, on acct. of wages, per cheque, \$5.

Time—Lost, John Roberts $\frac{1}{2}$ day.

28. Sold J. C. Scott, on his note at 10 days, 5000 B.C. Dimension Shingles at \$4 per M.; 16000 Pine Lath at \$2.80 per M.; \$—. H. D. McLellan paid cash in full of acct., \$—.

Time—Lost, A. Fenwick $\frac{1}{4}$ day, Jas. Herchmer $\frac{1}{2}$ day.

29. Deposited in bank, cash \$500. Sold S. H. Cann on acct., 6500 ft. No. 2 Culls at \$6, 1500 ft. Clear B.C. Cedar inch Lumber at \$50, \$—.

Time—Lost, R. G. Walton $\frac{3}{4}$ day, W. F. Spencer $\frac{1}{4}$ day, J. H. Edwards $\frac{3}{4}$ day.

30. Paid employees in full to date, per cheque, \$—. Paid C. C. Milverton the amount of rent still due him, per cheque, \$—.

Time—Lost, H. B. Huston $\frac{1}{4}$ day, W. W. Howey $\frac{3}{4}$ day.

* Note taken at face value plus interest.

Inventories, Sept. 30, 1896.

Material on hand.....	\$3594 50
Merchandise on hand.....	3504 87
Mill Team with Outfit.....	260 00
Delivery Team with Outfit.....	220 00
Safe on hand.....	110 00
Interest accrued.....	—
Insurance (unexpired premium).	—

At the end of the month the student will test the equilibrium of the Ledger, make financial statements and close the accounts.

NOTE.—The student is expected to write correspondence, notes, drafts, etc. See form of Time Book on page 245, and also form of Pay Sheet on page 246.

CHAPTER IV.

SET I.—BOOT AND SHOE BUSINESS.

Books used—Same as for Set I., page 219.

TRANSACTIONS.

— January 4, 1897.

(Student's name here) has this day commenced the Boot and Shoe Business on _____ Street, No. —, investing as follows:

Resources—Cash on hand, \$1500. Goods in Store, \$1000. H. D. Belfry's note for \$600, dated Dec. 9, 1896, at one month, payable at the Imperial Bank. A. C. Blair owes on acct. \$50. H. M. Hallett owes on acct. \$37.50. L. B. Franklin owes on acct. \$129.75.

Liabilities—My note in favor of T. K. Boyce for \$182.50, dated Nov. 4, 1896, at 3 months, bearing interest at 8%.

5. Paid cash for Advertising \$5, and for Stationery, \$3.25. Deposited in the Bank of British North America, cash, \$1200. Cash sales, \$15.70.
6. Bought of The Copp, Clark Co., Toronto, a set of Office Books for cash, \$15. Bought of Hamilton & Sons, Toronto, on my acceptance at 10 days, goods as per invoice No. —, \$420. Paid freight per cheque, \$6.20. Cash sales, \$21.55.
7. Sold H. S. St. John, on his note at 15 days, 5 prs. Ladies' Oxford Ties at \$1.70; 4 prs. Men's Calf Bals. at \$3.50; 2 prs. Men's Fancy Slippers at \$1.75; 3 prs. Boys' Buff Bals. at \$1.25; \$—. Deposited in bank, cash, \$100. Cash sales, \$30.10.
8. Sold A. L. Gale, on acct., 3 prs. Ladies' Juliet Rubbers at 50c.; 10 prs. Men's Storm Rubbers at 75c.; 15 prs. Ladies' Opera Slippers at \$1.50; 12 prs. Boys' Running Shoes at 50c.; \$—. Paid cash for delivering goods, 50c. Cash sales, \$35.70.
9. Withdrawn for private use, cash, \$25.60. Bought of Livingston & Co., Hamilton, on my acceptance at 15 days, goods as per invoice No. —, \$400. Paid freight per cheque, \$7.65. Cash sales, \$57.80.
11. Bought of W. H. Black & Son, Montreal, goods as per invoice No. —, \$200. Remitted in payment a bank draft purchased per cheque. (Exchange $\frac{1}{8}\%$.) Paid cash for freight, \$3.75. Cash sales, \$29.60.
12. Sold W. A. Lloyd, on acct., 5 Barrel Top Leather Trunks at \$10.20; 12 Gladstone Valises at \$6.50; 3 Leather Grips at \$2.50; \$—. A. L. Gale paid on acct., cash, \$20. Retired H. D. Belfry's note

on receiving cash, \$235, and a new note at 30 days, bearing interest at 8% for balance of old note, \$—. Cash sales, \$36.90.

13. L. B. Franklin remitted on acct. his sight draft on C. H. LeClair for \$75. Paid cash for Postage, \$1.20, and for cleaning store, 50c. Sold A. S. Armstrong, on his note at 10 days, 10 Barrel Top Leather Trunks at \$12.50; 5 Canvas Telescope cases at \$1.50; \$—. Cash sales, \$40.20.

14. H. M. Hallett paid on acct. per cheque, \$17.50. Sold A. L. Gale, on acct., 2 Solid Leather Valises at \$12.50; 5 prs. Ladies' Oxford Ties at \$1.50; 3 prs. Ladies' Butt. Boots at \$3.50; 1 pr. Ladies' Tan Opera Slippers at \$1.75; \$—. Cash sales, \$37.75.

15. Engaged P. C. Cruikshanks as accountant at \$30 for the remainder of the month. Paid cash for delivering goods, \$1.10. Took from store for private use 1 Canvas Telescope Case at \$2.50; 1 Solid Leather Valise at \$18; \$—. W. A. Lloyd remitted his cheque in full payment of acct, \$—. Cash sales, \$39.80.

16. Bought of C. C. Peck, for cash, 1 Office Desk at \$40; 3 Chairs at 75c.; \$—. Sold H. H. Muirhead 2 prs. Men's Storm Rubbers at 75c.; 1 pr. Men's Calf Bals. at \$3.25; \$—. Received in full payment an order on A. L. Gale, which he accepted. Cash sales, \$59.35.

18. Bought of H. R. Williams, at 75c. on the dollar, his whole stock of goods as per inventory, \$1200, assuming the following debts payable: Thos. Paterson's acct., \$100; N. D. Pinkham's acct., \$350; A. T. Boyd's acct., \$220. Paid H. R. Williams the balance due him per cheque, \$—. Cash sales, \$48.75.

19. Deposited in bank, cash, \$350. Paid N. D. Pinkham, on acct. per cheque, \$100. Paid my acceptance favor of Hamilton & Sons, Toronto, due this day, per cheque, \$—. Paid cash for stationery, \$1.25. Cash sales, \$35.45.

20. Withdrew for private use per cheque, \$25. Paid Daniel Pike for repairing store, cash, \$1.20. L. B. Franklin paid on acct. per cheque, \$25. Sold J. S. Lewis, on acct., 3 prs. Men's Niagara Rubbers at 75c.; 5 prs. Men's Calf Bals. at \$4; 3 prs. Men's Fancy Slippers at \$1.80; \$—. Cash sales, \$38.40.

21. Sold K. T. Moore, on his note at one month, 10 prs. Misses' Kid Butt. Boots at \$1.65; 10 prs. Boys' Canvas Shoes at 75c.; 2 Club Bags at \$5; 4 Solid Leather Valises at \$12; \$—. Cash sales, \$42.30.

22. Sold P. C. Cruikshanks, on acct., 1 Canvas Telescope Case at \$2.25; 1 pr. Men's Calf Bals. at \$4.50; 1 pr. Fancy Slippers at \$2; \$—. Cash sales, \$35.60.

23. Bought of C. C. Peck, for cash, 1 Show Case, \$40. Sold Alex. McGowan, on his note at 10 days, 2 Barrel Top Leather Trunks at \$12, \$—. Cash sales, \$50.70.

25. Paid A. T. Boyd on acct., cash \$100. H. S. St. John paid his note

in full per sight draft on Thos. Fowler, \$—. A. L. Gale paid cash in full of acct., \$—. Cash sales, \$45.30.

26. A. S. Armstrong paid cash in full of his note due this day, \$—. Deposited in bank cash, \$160. Sold W. A. Lloyd on acct. 2 Leather Grips at \$3, 2 Fibre Telescope Cases at \$1.50; \$—. Sold P. C. Cruikshanks on acct. 2 prs. Ladies' White Opera Slippers at \$1.75, 2 prs. Boys' Running Shoes at 50c.; \$—. Cash sales, \$44.20.

27. Paid Thos. Paterson on acct. per cheque, \$50. Paid per cheque my acceptance favor of Livingston & Co., Hamilton, as per B.B., \$—. Withdrawn for private use, cash, \$10. Cash sales, \$52.65.

28. Bought of Livingston & Co., Hamilton, on my acceptance at 30 days, goods as per invoice No. —, \$500. Paid freight per cheque, \$8.20. Paid for repairs with goods from store \$1.45. Cash sales, \$42.10.

29. J. S. Lewis paid on acct. per cheque, \$17.65. A. C. Blair gave his note at 10 days payable at the Bank of British North America in full payment of acct., \$—. Sold John Farquharson on acct. 2 prs. Men's Oxford Ties at \$2, 2 prs. Fancy Slippers at \$1.75; \$—. Cash sales, \$39.90.

30. Paid rent for the month per cheque, \$45. Paid P. C. Cruikshanks balance of salary due him, per cheque, \$—. W. A. Lloyd paid his acct. in full per cheque, \$—. Cash sales, \$65.45.

Inventories, Jan. 31, 1897.

Merchandise.....	\$2046 96
Office Furniture.....	80 00
Int. and Dis. (Interest accrued).....	—
Total.....	\$

SET I.—Continued.

Books used—The same as for Set I., page 222.

TRANSACTIONS.

—, Feb. 1, 1897.

I have this day added to my investment, cash \$500. Re-engaged P. C. Cruikshanks as accountant at \$65 per month. Engaged Harry Foster as clerk at \$30 per month. Cash sales, \$37.50.

2. Bought of Murray & Fraser, Montreal, goods as per invoice No. —, \$500. Gave in payment my acceptance at 10 days, payable at the Bank of Commerce. Paid freight with cash, \$8.60. Paid cash for repairs, \$1.30. Cash sales, \$43.95.

3. Sold A. T. Boyd on acct., 3 prs. Ladies' Croquet Rubbers at 50c., 5 prs. Ladies' Storm Rubbers at 60c., 3 prs. Men's Calf Bals. at \$4.50, 5 prs. Boys' Canvas Shoes at 70c.; \$—. L. B. Franklin paid on acct., cash \$10. Cash sales, \$55.85.

4. Gave N. D. Pinkham, in full payment of acct., my note at 30 days, payable at the Bank of British North America, \$—. Sold H. M. Hallett on acct., 2 Barrel Top Leather Trunks at \$10, 3 Pack. Trunks at \$1.75, 1 Club Bag at \$4; \$—. Cash sales, \$52.30.
5. Alex. McGowan remitted his cheque in full payment of his note, due this day as per B.B., \$—. Sold L. C. Thompson on acct., 2 Canvas Telescope Cases at \$2.10, 1 Solid Leather Valise at \$13.50; \$—. Deposited in bank, cash \$1,000. Cash sales, \$44.25.
6. Bought of Crawford & Co., Toronto, goods as per invoice No. —, \$400. Remitted in payment a bank draft purchased per cheque, \$—. Paid freight per cheque, \$5.60. Sold William Harris on his note at 10 days, payable at the Bank of Ottawa, 5 Barrel Top Leather Trunks at \$13.25. Cash sales, \$60.45.
8. J. S. Lewis gave his order on Thos. Paterson to close acct., \$10. Sold James Riddell on his note at 15 days, 5 prs. Men's Oxford Shoes at \$3, 3 prs. Misses' Tan Slippers at \$1.25, 4 prs. Boys' Buff Bals. at \$1.20; \$—. Paid per cheque my note favor of T. K. Boyce, with interest as per B.B., \$—. Cash sales, \$50.25.
9. Thos. Paterson refused to accept J. S. Lewis' order of the 8th inst. and it was returned. Paid Chas. Humber for digging garden (private) with goods from store, \$5.75. Cash sales, \$43.85.
10. J. S. Lewis paid cash in full of acct., \$—. Sold C. C. Mather on acct., 2 Club Bags at \$4.50; \$—. Withdrew for private use, cash \$20. Paid cash for delivering goods, \$1.10. Cash sales, \$54.35.
11. A. C. Blair paid in full his note due this day, per cheque, \$—. Sold Thos. Paterson on acct., 4 prs. Ladies' Buff Bals. at \$1.30, 6 prs. Ladies' Felt Slippers at \$1.10, 3 prs. Boys' Heavy Boots at \$2, 10 prs. Misses' Goat Lace Boots at \$1.25; \$—. Took from store for private use goods, \$7.65. Cash sales, \$42.90.
12. Gave to the General Hospital, cash \$10. Sold L. C. Thompson 5 prs. Men's Gaiters at \$3.20, 10 prs. Men's Fancy Slippers at \$2, 3 prs. Men's Stoga Boots at \$1.80. Received in payment an order on A. E. Caverhill for \$20, the balance to remain on acct., \$—. Paid cash for Advertising, \$2.40, for Telegram, 50c. Cash sales, \$42.30.
13. L. B. Franklin remitted on acct. his sight draft on A. H. Fraser for \$12. Deposited in bank cash, \$200. Bought of Craig & Co., Toronto, goods as per invoice No. —, \$360. Remitted in payment a bank draft for which I issued my cheque, \$—. Paid freight per cheque, \$6. Cash sales, \$58.75.
15. H. D. Belfry remitted cash in full payment of his note with interest as per B. B., \$—. Proceeds deposited. Paid per cheque my acceptance favor of Murray & Fraser, Montreal, as per B. B., \$—. Cash sales, \$38.40.
16. Paid Thos. Paterson cash in full of acct., \$—. Sold A. M. Lougheed

on his note at 10 days, 2 Solid Leather Valises at \$12.50 ; \$—.
 Paid cash for Fuel, \$7.50. Cash sales, \$42.30.

17. A. E. Caverhill paid cash in full of acct., \$—. L. B. Franklin remitted his cheque to close acct., \$—. Cash sales, \$48.90.

18. Bought of Housser, Farren & Co., Toronto, on my acceptance at 10 days, goods as per invoice No.—, \$120. Paid freight per cheque, \$2.80. Paid P. C. Cruikshanks on acct. of salary, per cheque, \$10. Took goods from store for private use, \$5.20. Cash sales, \$46.25.

19. William Harris gave an order on A. T. Boyd in full payment of his note due this day, \$—. Sold Harry Foster on acct. 1 pr. Men's French Calf Bals. at \$3.25, 1 pr. Fancy Slippers at \$2 ; \$—. Cash sales, \$39.80.

20. Bought of L. C. Thompson, for private use, a buggy at \$60. Took cash from till to close his account, \$20.90. Cash sales, \$59.20.

22. C. C. Mather paid cash in full of acct., \$—. Sold John Farquharson on acct. 3 prs. Men's Calf Sewed Boots at \$4.50, 1 Leather Trunk at \$13.60; \$—. Paid cash for Advertising, \$1.40. Cash sales, \$44.60.

23. Bought of Hurdon & Kennedy, Montreal, for cash, goods as per invoice No.—, \$200. Discount off, 5%. Paid freight per cheque, \$4.60. Cash sales, \$38.90.

24. K. T. Moore paid in full per cheque, his note due this day, as per B. B., \$—. Remitted my note at 30 days in full payment of A. T. Boyd's acct., \$—. Cash sales, \$46.70.

25. H. M. Hallett paid on acct., cash, \$20. Sold A. E. Caverhill on acct., 3 prs. Misses' Tan Slippers at \$1.25, 5 prs. Men's Storm Rubbers at 75c.; \$—. Cash sales, \$46.45.

26. Paid cash for Stationery, \$1.10. James Riddell paid his note in full with cash, \$—. Withdrew for private use per cheque, \$10. Cash sales, \$39.80.

27. Paid P. C. Cruikshanks per cheque balance of month's wages, \$—. Paid per cheque balance of wages for month due Harry Foster, \$—. Paid rent per cheque, \$45. Cash sales, \$52.40.

Inventories, Feb. 28, 1897.

Merchandise.....	\$2243	93
Office Furniture.....	80	00
Expense	3	20
Total.....		\$

SET II.

The transactions of this Set are the same as those of Set I. For the month of January the books are to be kept by Double Entry and for the month of February by Single Entry. The books used are the same as for Set II., page 224.

SET III.—GROCERY AND PROVISION BUSINESS.

PARTNERSHIP—TWO PARTNERS.

Books used—The same as for Set III., page 225.

TRANSACTIONS.

—*March 1, 1897.*

(Student's name here) and W. P. Riddell have this day entered into a co-partnership to carry on a General Grocery and Provision Business, at No. — Street, agreeing to share gains and losses in proportion to investment. The business is to be conducted under the firm name of (Student's surname here) & Riddell.

(Student's name here) investment:

Resources—Cash, \$2000. Mdse., \$1200. John Woodsworth owes on acct., \$180.

Liabilities—Note in favor of C. H. Darwin for \$547.50 dated Jan. 27, 1897, at 2 mos., bearing interest at 7%, payable at the Bank of Toronto. Balance due C. M. Murray on acct. \$12.50.

W. P. Riddell's investment:

Resources—Cash, \$800. Mdse., \$2000. William Harrison's note for \$250 dated Feb. 10, 1897, at 1 month, payable at the Bank of Montreal. H. R. Scarlett owes on acct., \$120. L. F. Bunting owes on acct., \$25. Horse and Dray, valued at \$120.

Liabilities—Note in favor of W. R. Armstrong for \$300, dated Jan. 6, 1897, at 2 mos., payable at the Bank of Ottawa. Balance due Chas. Andrews on acct., \$100. Engaged J. W. Stacey as clerk, at \$40 per month, and James Wilson as errand boy, at \$12 per month.

2. Deposited in the Bank of Montreal, cash, \$2300. Paid cash for Advertising, \$6.20, for Stationery, \$3.60, for Coal, \$10. Bought of Langman & Co., Toronto, 4 bbls. Yellow Sugar, 342-22, 339-21, 335-20, 332-22, at 4c., 8 sacks B. Rice, 250 lbs. each at $3\frac{3}{4}$ c., 20 boxes Surprise Soap at \$4.75, 10 boxes Royal Crown Soap (unwrapped) \$4.50, 2 kegs Washing Soda 112 lbs. each, net, at 2c., 5 cases Celluloid Starch at \$5.50; \$—. Gave in payment, cash \$100, and our acceptance at 10 days for balance, \$—. Paid freight per cheque, \$6.50. Paid cash for Lamps \$5, and for Cordwood \$2.50. Cash sales, \$29.30.

3. Sold W. C. Shaw on acct., 5 cases Canned Pears at \$3.50, 4 cases Canned Beans at \$2.10, 10 sacks Rolled Oats at \$2.20, 10 sacks Gran. Oatmeal at \$2.40, 12 boxes Valencia Raisins at \$1.75, 5 boxes California Prunes, 50 lbs. each, net, at 6c., 20 boxes Codfish, 5 lbs. each, net, at 7c., 4 half-bbls. Herrings at \$3.20; \$—. Bought of Cameron & Wilson, Hamilton, a Safe for office, \$125.

Remitted in payment a bank draft purchased per cheque. (Exchange 25c.) Cash sales, \$30.25.

4. Sold J. E. Chegwin on his note at 15 days, payable at the Bank of Montreal, 180 lbs. Gran. Sugar at $5\frac{1}{4}$ c., 140 lbs. Rolled Oats at 4c., 5 gals. Vinegar at 40c., 100 lbs. Smoked Ham at 14c., 50 bush. Potatoes at 25c.; \$—. Paid P. H. Beaver for repairs, with goods, \$10.60. Cash sales, \$39.85.
5. Bought of Powell & Sons, Hamilton, 5 bbls. Golden Syrup, 78 gals., 77 gals., 81 gals., 80 gals., 79 gals., at 44c.; \$—. Gave cheque in full payment. Paid freight per cheque, \$3.20. Sold R. C. Brown on acct., 10 gals. Eocene Oil at 32c., 3 tubs Creamery Butter, 65 lbs., 62 lbs., 63 lbs., gross, tare 23 lbs., at 15c., 5 doz. Eggs at 12c., 5 lbs. Corn Starch at 8c.; \$—. Cash sales, \$32.75.
6. John Woodsworth paid on acct. per cheque, \$100. Sold M. C. Cargill on his note at 10 days, 20 sacks Oatmeal at \$2.30, 240 lbs. S. C. Ham at 15c., 150 lbs. Spiced Roll at 10c.; \$—. (*Student's name here*) withdrew from business per cheque, \$20. Deposited in bank, cash \$100. Cash sales, \$50.85
8. Bought of Ferrier & Glass, Goderich, 25 bbls. Patent Process Flour at \$3.40, 12 bbls. Strong Baking Flour at \$3; \$—. Gave in payment our acceptance at 15 days, payable at the Bank of Montreal. Paid freight per cheque, \$7.20. Cash sales, \$35.20.
9. L. F. Bunting paid on acct. per cheque, \$10. Sold Chas. Andrews on acct., 6 lbs. Ceylon Tea at 42c., 50 lbs. Bk. Bacon at 14c., 10 lbs. Tapioca at $4\frac{1}{2}$ c.; \$—. Paid per cheque our note favor of W. R. Armstrong, due this day, \$—. Cash sales, \$45.85.
10. W. P. Riddell took from store for private use 100 lbs. Gran. Sugar at 5c., 50 lbs. Light Yellow Sugar at 4c., 56 lbs. B. Rice at $3\frac{3}{4}$ c., 25 lbs. Valencia Raisins at 8c., 4 crates Peaches at \$1.10; \$—. Paid Chas. Andrews on acct., cash \$20. Paid J. W. Stacey on acct. of wages per cheque, \$10. Cash sales, \$50.10.
11. Sold Geo. W. Clendenning on his note at 1 month, 50 lbs. Japan Tea at 30c., 25 lbs. Congou Tea at 30c., 12 lbs. Mocha Coffee at 40c., 40 lbs. Flake Tapioca at 3c., 5 doz. Eggs at 10c., 12 qts. Mixed Pickles at 15c., 20 lbs. Spiced Roll at 10c.; \$—. L. F. Bunting paid his acct. in full per order on H. S. Corbett for which we received cash, \$—. Cash sales, \$42.90.
12. Bought of Scott & Co., Toronto, on our acceptance at 15 days, 3 bbls. Gran. Sugar, 315-19, 320-20, 317-19, at $4\frac{1}{2}$ c., 500 lbs. Long Clear Bacon at 8c.; \$—. Paid freight per cheque, \$4.60. Sold D. C. Dunn 3 bbls. Apples at \$1.60; 5 bbls. Strong Baker's Flour at \$3.25, 10 bottles C. B. Assorted Pickles at 30c.; \$—. Received in payment an order on C. M. Murray, which Mr. Murray has accepted. Cash sales, \$45.80.
13. William Harrison settled for his note due this day as per B.B. by

paying cash \$104, and giving a new note at 2 months, bearing interest at 8% for balance, \$146. Paid James Wilson on acct. of wages per cheque, \$2.50. R. C. Brown remitted on acct. his cheque for \$15. Cash sales, \$59.95.

15. Bought of J. C. Scott for cash, 5 tubs Dairy Butter, 56 lbs., 52 lbs., 59 lbs., 64 lbs., 63 lbs., tare 44 lbs., at 14c.; 150 bush. Potatoes at 22c.; 250 lbs. Smoked Ham at 13c.; \$—. Sold Robert Fisher on acct.: 20 bush. Potatoes at 25c.; 5 lbs. Java Coffee at 40c.; 118 lbs. Yellow Sugar at 4½c.; \$—. Paid our acceptance favor of Langman & Co., Toronto, per cheque, \$—. Cash sales, \$44.85.
16. Sold A. W. Speers 2 bbls. Patent Process Flour at \$3.75, 5 sacks Cornmeal at \$2.10, 20 sacks Gran. Oatmeal at \$2.20, 2 hf. chests Congou Tea, 65 lbs. each net, at 35c., 10 lbs. Oolong Tea at 40c.; \$—. Received in payment cash \$50, the balance to remain on acct., \$—. Cash sales, \$52.90.
17. Bought of Farran & Bagshawe at 60c. on the dollar their entire stock of goods as per inventory, \$800. Gave in payment our cheque for \$400 and sight draft on John Woodsworth for balance, \$—. Paid cash for removing goods, \$10.20. Cash sales, \$42.25.
18. H. R. Scarlett remitted on acct., his sight draft on A. C. Woods for \$50. W. P. Riddell withdrew for private use cash, \$30. Sold E. W. Barker on his note at 15 days, 2 bbls. Can. Heavy Mess Pork at \$15, 200 lbs. Long Clear Bacon at 8c., 3 bbls. Labrador Herring at \$6.00, 200 lbs. Roll Butter at 14c., 120 lbs. Factory Cheese at 9c.; Cash sales, \$42.
19. M. C. Cargill paid his note in full as per B. B. with his cheque on the Bank of Commerce; \$—. C. M. Murray paid cash in full of acct., \$—. Cash sales, \$37.62.
20. Sold R. C. Brown on acct., 5 bottles C. & B. Assorted Pickles at 30c., 6 gals. Malt Vinegar at 50c., 20 lbs. Creamery Butter at 12c., 2 bbls. Fine Salt at \$1.20; \$—. Paid J. W. Stacey on acct. of wages, per cheque, \$5. W. P. Riddell took from store for private use goods amounting to \$19.50. Cash sales, \$58.40.
22. Sold Robert Fisher on acct., 2 bbls. Patent Process Flour at \$3.60, 25 lbs. Spiced Roll at 10c., 20 lbs. Corn Starch at 8c., 40 lbs. Cheese, at 13c., 3 doz. Eggs at 11c., 1 lb. Java Coffee at 37c.; \$—. Paid cash for Advertising, \$2.60, for Fuel, \$6.50. Cash sales, \$40.10.
23. A. W. Speers paid on acct., cash, \$31.50. Remitted our cheque to close Chas. Andrews' acct., \$—. The bank advised us that J. E. Chegwin's note is paid and that we are credited with the proceeds, \$—. Cash sales, \$45.70.
24. Bought of J. H. Douglas for cash 40 doz. Eggs at 10c., 200 lbs. Dairy Butter at 12c.; \$—. W. C. Shaw paid on acct. per his sight draft on H. F. Graham, \$60. Sold A. D. McKay 3 tubs Lard, 60 lbs. each, net, at 10c., 20 lbs. Creamery Butter at 16c., 40 lbs. Dairy

Butter at 13c., 100 lbs. Factory Cheese at 10c.; \$—. Received in payment cash \$15, the balance on acct., \$—. Cash sales, \$49.25.

25. (*Student's name here*) took from store on private acct., goods amounting to \$17.63. Robert Fisher paid on acct., per cheque, \$20. Paid cash for repairing dray, \$2.25. Paid with goods for cleaning store, \$1.25. Cash sales, \$40.80.

26. Paid per cheque our acceptance favor of Ferrier & Glass, Goderich, due this day, \$—. Sold J. R. Irvine on his note at 1 month, 3 bbls. Can. Heavy Mess Pork at \$15; \$—. Cash sales, \$39.60.

27. Sold John Morley per order of Robert Fisher, 50 lbs. Bk. Bacon at 11c., 120 lbs. Spiced Roll at 10c.; \$—. Sold James Wilson on acct. of wages, $2\frac{1}{2}$ lbs. Congou Tea at 36c., 2 bush. Potatoes at 25c.; \$—. Deposited in bank, cash \$100. Cash sales, \$35.50.

29. Bought of Cooper & Wilson, Toronto, for cash, 6 sacks Standard B. Rice, 250 lbs. each, net, at $3\frac{3}{4}$ c., 5 sacks Japan Rice, 100 lbs. each, net, at 5c., 10 sacks Pearl Tapioca, 100 lbs. each, net, at $3\frac{3}{4}$ c., 2 half-bbls. Paris Lump Sugar, 100-17, 104-18, at 5c.; \$—. Paid freight per cheque, \$2.85. Cash sales, \$46.70.

30. (*Student's name here*) withdrew for private use, cash, \$8.90. Paid per cheque note favor of C. H. Darwin, with interest, \$—. Paid with cash our acceptance favor of Scott & Co., Toronto, as per B. B., \$—. Cash sales, \$48.60.

31. Paid J. W. Stacey per cheque, balance of month's wages, \$—. Paid James Wilson per cheque, balance of month's wages, \$—. Paid per cheque, rent for month, \$50. Cash sales, \$60.10.

Inventories, Mar. 31, 1897.

Merchandise	\$2824 92
Expense	112 50
Office Furniture	120 00
Int. and Dis.....	
Total.....	\$

SET IV.—GENERAL PROVISION AND SHIPPING BUSINESS.

PARTNERSHIP—THREE PARTNERS.

Books used—The same as for Set IV., page 230.

TRANSACTIONS.

—, April 1, 1897.

(*Student's name here*) and W. P. Riddell have this day admitted W. J. Gunne as a partner to carry on a General Provision and Shipping Business under the firm title of (*Student's surname here*), Riddell & Co. They agree to share gains and losses in proportion to investment.

W. J. Gunne invests cash, \$1000; Mdse., as per inventory, \$1200; C. D. Mainwaring's note for \$584, dated Jan. 18, 1897, at 4 months, payable at the Bank of Montreal. This note is endorsed by J. A. Somerville and it bears interest at 6%.

The new firm leased from H. D. Sanderson his store and warehouse on Elgin Ave. at \$80 per month. Re-engaged J. W. Stacey as clerk at \$50 per month, and James Wilson as errand boy at \$20 per month. Took out policy of insurance for \$4800 at 1%. Paid premium per cheque, \$—. Cash sales, \$20.10.

2. Deposited in bank, cash \$1500. Shipped to Patterson & Co., Hamilton, to be sold on our acct. and risk, 150 bbls. Patent Process Flour at \$3.50, \$—. Paid shipping expenses per cheque, \$10.75. Cash sales, \$40.20.
3. Sold Robert Fisher on acct., 6 bbls. Strong Baker's Flour at \$3.25, 560 lbs. Pickled Pork at 10c., 10 tubs Lard, 60 lbs. each, net, at 9½c.; \$—. Drew on Patterson & Co., Hamilton, at 15 days for \$200. Cash sales, \$45.65.
5. (*Student's name here*) took from store for private use goods amounting to \$42.30. R. C. Brown remitted his cheque in full payment of acct., \$—. Paid cash for Advertising, \$2.60; for Telegram, 50c. Cash sales, \$38.90.
6. Received from W. W. Tilley and Co., Goderich, to be sold on their acct. and risk, 300 tubs Dairy Butter, 16,800 lbs. gross, tare 2400 lbs., invoiced at 12c. Paid freight per cheque, \$8.60. Cask sales, \$40.45.
7. W. P. Riddell withdrew for private use cash, \$11.50. Sold A. W. Carter on his note at 10 days: 150 lbs. S. C. Ham at 14c., 100 lbs. Factory Cheese at 10c., 28 lbs. Mocha Coffee at 45c., 25 lbs. Lard at 10c.; \$—. Cash sales, \$58.60.
8. Bought c^r R. C. Monteith for cash, 5 tubs Creamery Butter, 60 lbs., 63 lbs., 59 lbs., 65 lbs., 66 lbs., tare 43 lbs., at 13c., \$—. W. C. Shaw paid on acct., per cheque, \$40. Paid cash for repairs, \$2.30. E. W. Barker remitted cash in full payment of his note and interest on the same. Interest, 20c. This note was held until to-day per request of Mr. Barker. Accepted W. W. Tilley & Co.'s draft at 10 days, payable at the Bank of Montreal, for \$500. Cash sales, \$38.70.
9. Bought of C. R. Richardson on our acceptance at 15 days, for shipment to Williamson & Co., Toronto, to be sold on our acct. and risk, 30 Dressed Hogs, 6840 lbs., net, at \$5.50, \$—. Paid shipping expenses, per cheque, \$14.60. Cash sales, \$49.85.
10. Sold M. A. Harvey on his note at 10 days, payable at the Bank of Montreal, 200 tubs Dairy Butter, 9600 lbs. net, from W. W. Tilley & Co.'s consignment, at 13c.; 300 lbs. Factory Cheese at 10c.; 30 bush. Potatoes at 25c.; \$—. Sold J. W. Stacey on acct.,

5 lbs. Congou Tea at 35c., 10 lbs. Mocha Coffee at 45c.; \$—. Paid cash for Stationery, \$2.20. Cash sales, \$59.60.

12. Received from Patterson & Co., Hamilton, an acct. sales of shipment to them of the 2nd inst. Net proceeds, \$555.75. They remitted cheque to close account. Cash sales, \$49.90.

13. Deposited in bank cash, \$600. W. J. Gunne took goods from store amounting to \$31.01. Sold Horse and Dray to F. W. Collins, on his note at one month, \$110. Sold A. W. Speers on acct. 10 kegs Mixed Pickles, 5 gals. each, at 40c.; 150 lbs. Creamery Butter at 15c.; 1 bbl. Shoulder Mess Pork at \$14.50; \$—. Paid cash for Fuel, \$4.60. Cash sales, \$50.75.

14. Geo. W. Clendenning paid his note due this day, per sight draft on A. J. Dickson, \$—. Sold W. C. Shaw on his note at 20 days 98 tubs Dairy Butter, 4704 lbs. net, being the remainder of W. W. Tilley & Co.'s consignment No. 1, at 14c., \$—. Sold 2 tubs (damaged) Butter belonging to the same consignment for cash at \$2.22 each, \$—. Cash sales, \$62.95.

15. Bought of Powell & Sons, Hamilton, 100 bbls. Labrador Herring at \$5.40, 10 hf. bbls. Newfoundland Herring at \$2.40. Remitted in full payment draft purchased per cheque. (Exchange $\frac{1}{2}\%$.) Paid freight per cheque, \$25. A. D. McKay paid on acct. cash, \$10. Cash sales, \$52.80.

16. Rendered W. W. Tilley an acct. sales of his first consignment, charging 2% commission, \$3.20 for storage, \$1.30 for drayage, and \$1.48 for insurance. Net proceeds, \$—. Remitted M. A. Harvey's note of the 10th inst., and a sight draft on Robert Fisher for balance due the shipper, \$—. Cash sales, \$58.20.

17. Received from Williamson & Co., Toronto, an acct. sales of our first shipment to them. Net proceeds, \$380 80. They remitted J. C. Smith's note, due on the 19th inst., for \$120, and their sight draft on Robert Fisher for balance of net proceeds due, \$—. Cash sales, \$72.60.

19. J. C. Smith paid his note received from Williamson & Co., Toronto, per cheque. Deposited in bank, cash \$100. Bought of H. R. Scarlett a team of Horses, a Wagon, and set of Harness at \$225. Gave him our acceptance at 30 days to cover the amount we owe him, \$—. W. P. Riddell purchased, for private use, 10 cords of Wood at \$1.40. Gave in payment cash from till. Gave the treasurer of the Agricultural Association cash \$20 as a contribution to prize fund. Cash sales, \$65.20.

20. Bought of W. A. Leamington 100 Dressed Hogs, 21,000 lbs., net, at \$5.40. Gave in payment our acceptance at 15 days payable at the Bank of Montreal. Shipped the hogs directly to Finlayson & Co., St. Catharines, to be sold on our acct. and risk. Paid shipping expenses per cheque, \$12.50. Received cash in full payment of

A. W. Carter's note due this day, \$—. Paid cash for repairs, \$1.60. Cash sales, \$70.20.

21. Bought of Weldon & Co., Guelph, 40 bbls. Strong Baker's Flour at \$3, 200 sacks Gran. Oatmeal at \$2, 40 sacks Rolled Oats at \$1.75, 20 sacks Cornmeal at \$1.80; \$—. Remitted in full payment a bank draft purchased per cheque (Exchange $\frac{1}{8}\%$). Paid freight per cheque, \$15.20. Paid per cheque our acceptance favor of W. W. Tilley & Co., due this day as per B.B., \$—. Patterson & Co. remitted their cheque in full payment of their acceptance due this day. Proceeds deposited, \$—. Cash sales, \$60.45.

22. Sold A. S. Rose on acct., 25 lbs. Mocha Coffee at 40c., 50 lbs. Congou Tea at 36c., 100 lbs. B. Rice at 5c.; \$—. Received from Robert Holmes, Clinton, for sale on his acct. and risk, 450 boxes Factory Cheese, 29,700 lbs. gross, tare 2700 lbs., invoiced at 8c. Paid freight per cheque, \$10.80. Cash sales, \$75.15.

23. W. P. Riddell withdrew for private use, cash \$16. A. W. Speers remitted on acct. R. H. Manning's note for \$60, dated February 24, 1897, at 2 mos., payable at the Bank of Montreal. Cash sales, \$72.25.

24. Sold Smith & Morrison the whole of Robert Holmes' consignment of 450 boxes Factory Cheese, 27,000 lbs. net, at 9c., \$—. Received in payment M. A. Cameron's note for \$510, dated March 25, 1897, at 30 days, payable at the Bank of Montreal, and cash for balance, \$—. Cash sales, \$80.20.

26. Deposited in bank, cash, \$2000. Rendered Robert Holmes an acct. sales of his consignment of the 22nd inst. Charges: freight, \$10.80; storage, \$2.30; drayage, \$3.20; insurance, \$2.10; commission, 2% of sales; \$—. Remitted M. A. Cameron's note for \$510 and a bank draft purchased per cheque, with balance due the consignor, \$—. (Exchange $\frac{1}{8}\%$.) Cash sales, \$46.50.

27. The bank advised us that the proceeds of R. H. Manning's note due this day have been placed to our credit, \$—. Paid per cheque, our acceptance favor of C. R. Richardson, due this day, \$—. Cash sales, \$64.80.

28. A. W. Speers paid cash in full of acct., \$—. Sold B. C. Morgan on acct., 13 lbs. Congou Tea at 36c., 15 lbs. Sago at 7c., 12 lbs. Tapioca at 7c.; \$—. Sold J. W. Stacey on acct., 12 lbs. Rice at 7c., 3 lbs. Java Coffee at 35c., 2 lbs. Mocha Coffee at 40c.; \$—. Cash sales, \$75.

29. J. R. Irvine paid his note due this day per cheque, \$—. Drew on Finlayson & Co., St. Catharines, at 30 days for \$730, and discounted the draft at 7%. Proceeds deposited, \$—. Cash sales, \$65.25.

30. Deposited in bank, cash, \$100. Paid J. W. Stacey per cheque, balance of month's wages, \$—. Paid James Wilson per cheque, month's

wages, \$—. Paid per cheque, rent for month as per terms of lease, \$—. Cash sales, \$75.90.

Inventories, April 30, 1897.

Merchandise	\$3053 60
Shipment to Finlayson & Co., No. 1	1146 50
Expense	220 00
Office Furniture	120 00
Int. and Dis.	40 00
Insurance (Unexpired)	
Total.....	\$

SET V.—WHOLESALE PROVISION AND SHIPPING BUSINESS.

PARTNERSHIP—FOUR PARTNERS.

Books used—The same as for Set IV.

TRANSACTIONS.

—, May 3, 1897.

The firm has this day admitted W. A. McIntyre as a partner. Gains and losses are to be shared in proportion to investment. Mr. McIntyre invests as follows :—

Resources—Cash, \$500. Mdse. as per inventory, \$2000. Thomas Jackson's note for \$400, dated Feb. 15, 1897, at 3 mos., payable at the Bank of Ottawa. E. E. Best's note for \$270, dated April 9, 1897, at 30 days. D. S. Thornton owes on acct. \$27.60.

Liabilities—Note in favor of Robert Fullerton for \$146, dated Dec. 8, 1896, at 5 mos., bearing interest at 6%, payable at the Bank of Commerce. Balance duc H. A. MacLeod on acct. \$50.

Re-engaged J. W. Stacey as accountant at \$60 per month. Engaged J. H. Murray as clerk at \$45 per month.

4. Bought of Nairn & Co., Galt, 260 sacks Rolled Oats at \$1.50, 200 sacks Cornmeal at \$1.60; \$—. Remitted bank draft purchased per cheque. (Exchange $\frac{1}{8}\%$.) Paid freight per cheque, \$8.40. Paid petty expenses, per cheque, \$3.20.
5. Finlayson & Co., St. Catharines, rendered an acct. sales of our shipment of the 20th ult. Our net proceeds, \$1186.50. They remitted a sight draft on Harrington & Brown for \$56, and a bank draft purchased with the balance due us, \$—. (Exchange $\frac{1}{8}\%$.) B. C. Morgan paid cash in full of acct., \$—. W. P. Riddell withdrew for private use, cash \$7.80.
5. Shipped to Wilson & Sons, London, to be sold on joint acct., each one-half, 40 bbls. Shoulder Mess Pork at \$13.20; 30 bbls. Can.

Heavy Mess Pork at \$14.50, 1000 lbs. Smoked Ham at 14c.; \$—. Paid shipping expenses per cheque, \$11.60. A. S. Rose remitted a sight draft on Garratt & Bryce in full payment of acct., \$—. Deposited in bank, cash, \$1500.

6. Bought of W. Garland & Co. for shipment to Finlayson & Co., St. Catharines, to be sold on joint acct., each one-half, 100 bbls. Can. Heavy Mess Pork at \$14.50. Gave in payment W. C. Shaw's note, dated April 14, 1897, and our cheque for balance, \$—. Added to the shipment from warehouse 60 tubs Lard, 4200 lbs. gross, tare 600 lbs., at 10c., \$—. Paid shipping expenses per cheque, \$15.70. Paid J. W. Stacey on acct. of wages, per cheque, \$5. Paid cash for Stationery \$3.40, and for Advertising \$1.75.
7. Sold D. C. Callaway on acct., 10 tubs Creamery Butter, 560 lbs. net, at 14c., 5 sacks Rolled Oats at \$1.60; \$—. Bought of Hugh Murray, for cash, 400 bush. of Potatoes at 20c., \$—. W. J. Gunne took from store on private acct., goods amounting to \$37.60.
8. Bought of James Stanley on acct., for shipment to Cavers & Cameron, Hamilton, to be sold on joint acct., each one-half, 1600 bush. Oats at 20c., \$—. Paid shipping expenses per cheque, \$6.20. Paid our acceptance favor of W. A. Leamington, due this day, per cheque, \$—. Paid cash for petty expenses, \$2.80.
10. Received from Watson & Sons, Guelph, to be sold on joint acct., each one-half, 300 boxes Factory Cheese, 18,000 lbs. gross, tare 1600 lbs., invoiced at 8c. They paid shipping expenses \$4.50, and on receiving the goods we paid freight, per cheque, \$15.80. (*Student's name here*) took goods from store on private acct., \$17. Paid J. H. Murray on acct. of wages, per cheque, \$4.50.
11. Sold S. H. Bradbury for cash the whole of Watson & Sons' consignment on joint acct. of the 10th inst. at \$1400, and rendered an acct. sales of the same. Charges: freight, \$15.80; drayage, \$2.60; storage, \$1.50; insurance, \$1.60; commission, 2% on sales; \$—. Our $\frac{1}{2}$ net proceeds, \$—. Watson & Sons' $\frac{1}{2}$ net proceeds, \$—. Remitted a bank draft purchased with cash for the whole amount due the consignor, \$—. Paid per cheque note in favor of Robert Fullerton, with interest as per B.B., \$—.
12. Drew on Finlayson & Co., St. Catharines, at 30 days for \$657. Discounted the draft immediately at 8%. Proceeds deposited, \$—. Wilson & Sons, London, rendered an acct. sales of our shipment to them of the 5th inst. on joint acct. Our half net proceeds, \$567.30. They remitted a sight draft on Robert Fisher for \$500, and their note at 10 days payable at the Bank of Montreal to close acct., \$—. E. E. Best remitted his cheque in payment of his note as per B. B., \$—.
13. A. D. McKay paid cash in full of acct., \$—. Sold B. C. Morgan on his note at 1 month, 500 lbs. S. C. Ham at 14c., \$—. Paid H. A.

MacLeod on acct., per cheque, \$20. Paid cash for petty expenses, \$3.40.

14. Received from Watson & Sons, Guelph, their second consignment on joint acct., each one-half, consisting of 180 boxes Factory Cheese, 10,860 lbs. gross, tare 1080 lbs., invoiced at $7\frac{3}{4}$ c. They paid shipping expenses, \$3.55. On receiving the goods we paid freight per cheque, \$10.80. Accepted Watson & Sons' draft on us at 15 days for \$200, payable at the Bank of Montreal. W. A. McIntyre took from store on private acct., goods amounting to \$18.10.
15. Sold J. A. Calvert from Watson & Sons' consignment of the 14th inst., 100 boxes Factory Cheese, 6010 lbs. gross, tare 600 lbs., at 10c. Received in payment a sight draft on D. C. Callaway for \$180, and cheque for balance, \$—. Paid cash for petty expenses, \$1.70. Sold J. W. Stacey on acct., 3 sacks Rolled Oats at \$1.65, 10 bush. Potatoes at 25c.; \$—.
17. William Harrison paid per cheque his note with interest as per B.B., \$—. Paid J. H. Murray on acct. of wages per cheque, \$5.50. Deposited in bank, cash \$600. F. W. Collins made an assignment; his creditors are paid 60c. on the dollar. Received cash in settlement of Mr. Collins' note of the 13th ult., \$—.
18. Shipped to Watson & Sons, Guelph, for sale on joint acct., each one-half, 1000 bush. Potatoes at 25c. Paid shipping expenses per cheque, \$6.20. Thomas Jackson paid his note due this day per cheque, \$—. Proceeds deposited.
19. Finlayson & Co. rendered an acct. sales of our shipment to them on joint acct. of the 6th inst. Our $\frac{1}{2}$ net proceeds, \$992.35. Drew on them at 10 days to close acct., \$—. D. C. Callaway remitted a bank draft in full payment of acct., \$—.
20. Sold S. H. Hughes on his note at 2 months 15 tubs Creamery Butter, 56 lbs. each, net, at 15c.; 2 bbls. Can. Heavy Mess Pork at \$14.50, \$—. Bought of Farquharson & Co. for cash 10 tubs Dairy Butter, 640 lbs. gross, tare 96 lbs., at 10c., \$—.
21. The bank has advised us that D. Mainwaring's note, with interest, is paid, and that the proceeds are placed to our credit, \$—. Paid cash for repairs, \$2.50.
22. Sold James Stevenson for cash 80 boxes Factory Cheese, 4850 lbs. gross, tare 480 lbs., at 10c. This constitutes the remainder of Watson & Son's consignment of the 14th inst. Robert Fisher paid on acct. per cheque, \$50. Paid per cheque our acceptance favor of H. R. Scarlett, \$—.
24. Deposited in bank, cash \$600. Rendered Watson & Sons, Guelph, an acct. sales of their consignment to us of the 14th inst. Charges: freight, \$10.80; drayage, \$3.40; storage, \$2.40; insurance, \$2.24; commission, 2% on sales; \$—. Our $\frac{1}{2}$ net proceeds, \$—. Watson & Sons' $\frac{1}{2}$ net proceeds. \$—. Remitted our cheque

to cover consignors' $\frac{1}{2}$ net proceeds and close their acct. to date, \$—.

25. Wilson & Sons, London, paid their note due this day, \$—. Proceeds deposited. (*Student's name here*) took goods on private acct., \$10.

26. Paid H. A. MacLeod cash in full of acct., \$—. Paid cash for petty expenses, \$3.90.

27. Cavers & Cameron, Hamilton, rendered an acct. sales of our shipment to them of the 8th inst. Our $\frac{1}{2}$ net proceeds, \$153.10. They remitted a draft, dated May 25, 1897, at 10 days, on D. W. Banfield to close acct., \$—. D. S. Thornton paid on acct. per cheque, \$20.

28. Remitted on acct. to James Stanley, D. W. Banfield's acceptance as per B.B., \$—.

29. Sold F. C. Porter on acct., 100 lbs. S. C. Ham at 12c., 3 bbls. Labrador Herring at \$5.75, 40 lbs. Mocha Coffee at 40c., 10 kegs Mixed Pickles, 5 gals. each, at 45c.; \$—.

31. Paid J. W. Stacey per cheque, balance of month's wages, \$—. Paid J. H. Murray per cheque, balance of month's wages, \$—. Paid rent for month per cheque, \$80.

Inventories May 31, 1897.

Merchandise	\$3842 97
Shipment Co. (Watson & Sons, Guelph)....	128 10
Expense	200 00
Office Furniture.....	110 00
Insurance (Unexpired Premium).....	32 00
<hr/>	
Total.....	\$

SET VI.—MANUFACTURING BUSINESS.

Books used—The same as for Set VI., page 239.

— June 1, 1897.

A. H. Smith and (*Student's name here*) have this day formed a co-partnership for the purpose of carrying on a General Biscuit and Confectionery Manufacturing Business under the firm title of Smith & (*Student's surname here*). Either partner is to be allowed interest at 6% on the excess of his investment over that of the other. After deducting such interest, gains and losses are to be shared equally.

Leased from Karn & Co., for a period of 3 years, their buildings, machinery, etc., situate on Colborne Street, at the rate of \$1440 per annum, payable monthly.

A. H. Smith's investment:

Resources—Cash, \$4000; A. H. Fraser's note dated April 2, 1897, at 2

months, payable at the Bank of Commerce, for \$657. The note bears interest at 8%. A. W. Andrews, Stratford, owes on acct., \$150.

Liabilities—Balance due J. F. McNeill on acct., \$45. Balance due H. M. Dawson on acct., \$20.64.

(Student's name here) investment :

Cash, \$800. Material for Biscuit Department as per inventory, \$1400. Material for Confectionery Department as per inventory, \$900. Manufactured goods as per inventory—Biscuits, \$1200; Confectionery, \$1500; Barrels, Boxes, etc., as per inventory, \$200; Fuel, \$30; Horse and Dray, \$120; Safe and Office Furniture, \$150.

Bought of Karn & Co., at 80c. on the dollar, their entire stock of material and manufactured goods as per inventories :

Material for Biscuit Department	\$200 00
Material for Confectionery Department	800 00
Manufactured Goods—Biscuits	600 00
Manufactured Goods—Confectionery	500 00
	<hr/>
	\$2100 00

Gave in payment cash, \$500, A. H. Fraser's note (taken at face value plus accrued interest) and our note at 10 days payable at the Bank of Ottawa for balance, \$514.36.

Engaged J. G. Roy as accountant at \$840 per annum, E. C. Cochrane, as general stock-keeper at \$52 per month, H. H. Edwards as foreman of Biscuit Manufacturing Department at \$732 per annum, William McCleary as foreman of the Confectionery Manufacturing Department at \$720 per annum, Chas. Strange, James Livingstone, H. C. Lennox, John White, J. H. McLaughlin, S. K. Flynn, Peter Markham at \$1.40 per day; E. H. Waters, K. J. Smith, James Jackson, Robert Calder at \$1.10 per day, Isaac Longley, B. H. Harvey, at 75c. per day. Employees to be paid on the last day of each month; services to be reckoned from the first day (inclusive) of June, 1897.

2. Deposited in the Bank of Commerce cash, \$3000. Bought of Ferguson & Sons, Hamilton, for cash, Office Books at \$25. Took out policy of Insurance for \$5400. Paid premium per cheque, \$54.
Time—Lost, K. J. Smith $\frac{1}{2}$ day, B. H. Harvey 1 day.
3. Bought of Burnett & Young, Seaforth, Flour, etc., as per invoice No.—, \$360. Remitted in payment a bank draft for which we issued our cheque, \$—. (Exchange $\frac{1}{8}\%$.) Paid freight per cheque, \$14.10. Sold L. C. Gordon on his note at 15 days, endorsed by John Elliott, payable at the Bank of Commerce, 100 boxes Brown Mixture, 500 lbs. at 8c.; 50 boxes Oriental Mixture at \$1.10; 100 boxes Licorice Tubes, 600 lbs. at 40c.; \$—.
Time—Lost, Robert Calder $\frac{1}{4}$ day, B. H. Harvey $\frac{1}{4}$ day.
4. Bought of Stanley & Stevens, Toronto, Sugar, Glucose, etc., as per invoice No.—, \$125. Gave in payment our cheque, \$—. Paid

freight per cheque, \$10.50. Sold J. A. Sutherland, on acct., 12 bbls. Fruit Biscuits, 840 lbs., at 10c.; 10 bbls. Soda Biscuits, 640 lbs., at $5\frac{1}{2}$ c.; \$—.

Time—Lost, Chas. Strange $\frac{1}{4}$ day.

5. Sold R. H. Dickey, Elora, on his acceptance at 15 days, 100 boxes Oyster Biscuits, 2000 lbs., at 7c.; \$—. Sold M. L. Anderson, Collingwood, for cash, 75 bbls. Soda Biscuits, 4800 lbs., at 6c.; 10 boxes XX Snaps, 280 lbs., at 5c.; \$—.
7. Bought of Lane & Snider, Stratford, Barrels, Boxes, etc., as per invoice No.—, \$150. Remitted in payment our sight draft on A. W. Andrews for \$150. Paid freight, per cheque, \$9.60.

Time—Lost, Chas. Strange $\frac{1}{4}$ day, S. K. Flynn $\frac{1}{4}$ day.

8. (*Student's name here*) withdrew for private use cash, \$200. Shipped to Robinson & Co., London, to be sold on our acct. and risk, 50 bbls. People's Mixed Biscuits, 3200 lbs., at 10c.; 20 bbls. Brown Mixture, 5000 lbs., at 7c.; 10 bbls. Royal Mixture, 2210 lbs., at 8c.; \$—. Paid shipping expenses, per cheque, \$12.50.
9. Sold Murray & Cameron, Galt, on their acceptance at 30 days, 200 pails Royal Mixture, 6380 lbs., at 9c.; 100 boxes Brown Mixture, 500 lbs., at 8c.; 40 bbls. Soda Biscuits, 2600 lbs., at $5\frac{1}{2}$ c.; \$—.

Time—Lost, James Livingstone $\frac{1}{2}$ day, Isaac Longley 1 day, B. H. Harvey, $\frac{1}{2}$ day.

10. Bought of Burnett & Young, Seaforth, Flour, etc., as per invoice No.—, \$400. Remitted in payment a bank draft purchased per cheque, \$—. (Exchange $\frac{1}{8}\%$.) Paid freight per cheque, \$12.50. Paid per cheque on acct. of wages, J. G. Roy, \$10, and H. H. Edwards, \$7.50.

11. As per terms of lease Karn & Co. have this day added new machinery valued at \$109.50 for payment of which we have advanced cash at 7%. A. H. Smith withdrew for private use cash, \$14. Gave the Children's Home 1 pail Royal Mixture, 32 lbs., at 9c.; 5 boxes Oriental Mixture, at \$1.10. Paid cash for petty expenses, \$1.60.

Time—Lost, K. J. Smith, $\frac{1}{4}$ day, S. K. Flynn $\frac{1}{4}$ day, B. H. Harvey $\frac{1}{4}$ day.

12. Paid J. F. McNeill in full of acct., per cheque, \$—. Shipped to McHendry & Osler, Brantford, for sale on joint acct., each one-half, 40 bbls. Arrowroot Biscuits, 2360 lbs., at 10c.; 20 bbls. Fruit Biscuits, 1350 lbs., at 9c.; 300 boxes Oyster Biscuits, 6000 lbs., at 7c.; 100 pails Acid Drops, 2500 lbs., at 11c.; \$—. Paid shipping expenses per cheque, \$5.50. Dismissed B. H. Harvey and paid him amount of wages due to date, per cheque, \$—.

Time Lost, E. H. Waters $\frac{1}{2}$ day, B. H. Harvey 1 day.

14. Bought of Fisher & Kennedy, Montreal, Sugar, Glucose, etc., as per inventory, \$560. Remitted in payment a draft purchased per cheque, \$—. Paid freight per cheque, \$14.20. Paid our accept-

ance favor of Karn & Co., due this day, per cheque, \$—. Paid cash for petty expenses, \$2.60.

Time—Lost, H. C. Lennox $\frac{1}{2}$ day, Peter Markham $\frac{1}{2}$ day.

15. Robinson & Co., London, rendered an acct. sales of our shipment to them of the 8th inst. Our net proceeds, \$892.30. They remitted a sight draft on John McMillan for \$600, and their note at 30 days for balance, \$—. Paid per cheque on acct. of wages, J. G. Roy \$15, E. C. Cochrane \$10, and H. C. Lennox \$5.

Time—Lost, John White $\frac{1}{2}$ day, Robert Calder $\frac{1}{4}$ day, Isaac Longley $\frac{1}{4}$ day.

16. Sold James Featherstone, Belleville, on his acceptance at 30 days, 10 bbls. People's Mixed Biscuits, 640 lbs., at 12c.; 75 pails Butter Chocolate, 1870 lbs., at 15c.; 20 boxes wrapped Taffy, at \$1; \$—. Sold W. C. Lang for cash, 15 boxes Ginger Snaps, 450 lbs., at 8c.; 10 boxes XX Snaps, 275 lbs., at 5c.; 1 bbl. Imperial Chocolate, 205 lbs., at 15c.; \$—. Paid cash for repairs, \$4.50.

17. J. A. Sutherland paid on acct., per cheque, \$100. Deposited in bank cash, \$800. Drew on McHendry & Osler, Brantford, at 30 days, for \$730; discounted the draft at 7%; proceeds deposited, \$—.

18. Sold Daniel Cameron, Listowel, 20 bbls. Fruit Biscuits, 1400 lbs., at 10c.; 100 boxes Oyster Biscuits, 2000 lbs., at $7\frac{1}{2}$ c.; 100 bottles Assorted Tablets, at 98c.; \$—. Received in payment C. H. Simpson's note for \$100, dated May 17, 1897, at 1 month, payable at the Bank of Commerce, and Mr. Cameron's note at 15 days for balance, \$—. Paid cash for petty expenses, \$3.80. Paid H. H. Edwards on acct. of wages, per cheque, \$20.

Time—Lost, S. K. Flynn $\frac{1}{2}$ day, K. J. Smith $\frac{1}{4}$ day, James Jackson, 1 day.

19. Bought of Stanley & Stevens, Toronto, for cash, Sugar, Essences, etc., as per invoice No.—, \$340. Paid freight per cheque, \$10.25. Paid cash for Fuel for office, \$5.20.

Time—Lost, Peter Markham $\frac{1}{2}$ day, Isaac Longley $\frac{3}{4}$ day.

21. McHendry & Osler, Brantford, rendered an acct. sales of our shipment to them on joint acct. Our $\frac{1}{2}$ net proceeds \$571. They remitted a bank draft purchased with the amount necessary to close acct., \$—. C. H. Simpson paid his note per cheque, \$—.

22. Shipped to McHendry & Osler, Brantford, to be sold on our acct. and risk, 40 bbls. Arrowroot Biscuits, 2400 lbs., at 10c.; 10 bbls. Maple Chocolates, 2050 lbs., at 18c.; 100 boxes Almond Rock, 500 lbs., at 17c.; 20 bbls. Imperial Chocolate, 4000 lbs., at 16c.; \$—. Paid shipping expenses per cheque, \$5.85. L. C. Gordon settled, per cheque, for his note of the 3rd inst., which was protested for non-payment. Protest charges, \$1.53. (No interest charged.)

Time—Lost, E. H. Waters $\frac{1}{2}$ day.

23. R. H. Dickey, Elora, remitted a sight draft on Karn & Co., in full payment of his note due this day, \$—.

24. Sold H. M. Dawson on acct., 21 boxes Brown Mixture, 105 lbs., at 8c.; 100 boxes Oatmeal Wafers, 1800 lbs., at $10\frac{1}{2}$ c.; \$—. A. H. Smith, withdrew on private acct. cash, \$20.

25. Drew on McHendry & Osler, Brantford, at 10 days for \$200. J. A. Sutherland remitted his cheque in full payment of ac t., \$—.
Time—Lost, S. K. Flynn 1 day, John White $\frac{1}{2}$ day.

26. Bought of McHardy & Sons, Montreal, on our acceptance at 30 days, Glucose, Molasses, etc., as per invoice No.—, \$630. Paid freight per cheque, \$25.60. Paid cash for repairs, \$16.50.
Time—Lost, James Jackson $\frac{1}{2}$ day, Robert Calder $\frac{1}{4}$ day.

28. Bought of Fair & Co., Clinton, for cash, Flour, etc., as per invoice No.—, \$475. Paid freight, per cheque, \$18.20.

29. McHendry & Osler, Brantford, rendered an acct. sales of our shipment to them of the 22nd inst. Our net proceeds, \$1369.85. They remitted Thomas Brown's sight draft on Gibson & Co. for 500, and their note at 15 days to close acct., \$—. Deposited in bank cash, \$400.
Time—Lost, James Livingstone $\frac{1}{2}$ day, Robert Calder, $\frac{1}{4}$ day.

30. Paid employees in full to date per cheque, \$—. Paid Karn & Co., the amount of rent still due them, per cheque, \$—. Paid cash for petty expenses, \$8.90.

Inventories.

Material on hand	\$1200 00
Goods	3878 16
Horse and Dray	110 00
Safe and Office Furniture	145 00
Unexpired Insurance	45 00
Total	\$

CHAPTER V.

THE RECORD.

Books are kept for the purpose of presenting in convenient form a complete record of business transactions. While the underlying principles of scientific book-keeping are always the same, in the application of those principles there is almost endless variety. This arises from the necessity for making the books conform to the requirements of the particular business for which they are kept.

A complete record of the transactions of a business usually comprises :

- (i) The principal books, together with their auxiliaries (if any)—*the detailed record*.
- (ii) The Ledger, which represents an epitome of what is contained in full in the principal and auxiliary books—*the summarized record*.

In practice the Ledger does not necessarily contain all the accounts connected with the business; for example, the Cash Book may be regarded as the Cash Account, but this does not affect the general statement here made regarding the Ledger in complete form.

- (iii) The Financial Statement, which is essentially a condensation of the results shown by the Ledger—*the synoptic record*.

BOOKS OF ORIGINAL ENTRY.

A book of original entry is one in which transactions are recorded as they occur. It is a *principal* book when transfers are made directly from it to the Ledger; otherwise it is an *auxiliary*.

The classification of transactions has led to the use of several different kinds of books of original entry, as the Cash Book, Sales Book, Bill Book, etc. The advantage of such books consists in the fact that each may be adapted for the special function it is required to perform. Formerly it was the custom to use such books merely as auxiliaries to the Journal. Nowadays the case is different. It has been discovered that much time and labor may be saved and greater accuracy secured by posting directly, as far as possible, from all books of original entry.

In order to determine what books of original entry should be kept for a business it is necessary to consider both the character of the transactions and the volume of the business. Two extremes are to be avoided.

- (1) The entering of all classes of transactions into one book. This results in incompleteness of record, and frequently produces confusion.
- (2) The multiplying of books unnecessarily. The use of too many books increases labor, renders the system complicated, and serves no practical purpose. The proper course to follow is to make a classification of transactions on a somewhat broad basis, and to adapt a book to the requirements of each class.

When making original entries it is highly important to collect and arrange the debits and credits arising out of transactions in such a manner as to facilitate the process of summarizing which is to follow. If it is found that a considerable number of items belong to any account they should be entered into a special column and afterwards posted in total. By this means a great saving of time and labor may be effected. It will be seen that this principle may be carried out to any desirable extent. The Synoptic Journal, so much in favor at present, affords ample evidence of this.

INVOICES OF PURCHASES.

When an invoice is received, it should be placed in the drawer or on the file for Unchecked Invoices until the goods which it represents arrive. If on examining the goods the invoice is found correct, it should be initialed and filed with the other invoices for the month. Care should be taken to arrange invoices in strictly alphabetical order. Those received from the same firm should be arranged together in chronological order. Once a month, or oftener if necessary, the invoices may be posted directly to the General Ledger, debiting the Mdse. Acct. for the total amount of purchases, and crediting the other accounts affected with the amounts which belong to them respectively. The page of the ledger to which the amount of an invoice is transferred will appear on the invoice, and the date or number of the invoice will appear in the ledger. If the invoices are filed away in cases properly labelled, any particular invoice may be referred to without inconvenience or loss of time.

It is a good plan to rule a sheet of foolscap so that there may be a money column for each wholesale firm from which goods are purchased. When an invoice is filed the amount of it is entered in the column bearing the name (abbreviated) of the firm which sent it. At the end of the month the amounts of the invoices are called out and entered in one column, or more if necessary, on another sheet. At the same time the ruled sheet is checked, and the invoices are numbered. The number of amounts on the check sheet and the number of invoices are found by counting them, so that any error in numbering may be detected. The footings of the different columns are then found, after which the totals of the sheets are compared. If they agree there is almost absolute certainty

that the total is correct. As the amounts of the different invoices are posted, their numbers will be placed in a series on a slip of paper. By this means any omissions will at once be discovered. The check sheet will also form a very satisfactory test of the correctness of the posting to the different personal accounts. The total will be transferred to the debit side of the Merchandise Account.

It must always be borne in mind, however, that the requirements of the business should determine the course to be pursued. In a large wholesale establishment, for example, it may be necessary to make a classified record of purchases in book form for daily use in the warehouse or the office. Further, it may be found convenient to post from an Invoice Book, especially if several merchandise accounts are kept.

THE SYNOPTIC JOURNAL.

A Synoptic Journal in its most complete form has a special column for every account connected with the business, personal accounts excepted*. In principle it does not differ from an ordinary special column journal, such as shewn on page 79 or on page 114. Some accountants put all the transactions through this book, others enter into it only such transactions as are not recorded in other books, as the Invoice Book, Sales Book, Bill Book, etc. The latter method is, generally speaking, the more practical. Usually there is little gained by transferring invoices to the Journal. They may be posted with less labor directly to the Ledger. If an itemized Sales Ledger is kept as described elsewhere one entry per month—the total amount of credit sales—from it to the merchandise account in the General Ledger restores the equilibrium of the two books without the intervention of the Journal. Again, nothing could be simpler or more convenient than to post amounts either separately or in totals directly from the Bill Books to the Ledger. Any other method except that of keeping the Bills Receivable and Bills Payable accounts in the Bill Books themselves must necessarily increase labor. When bills are discounted, when payments are made on them, or when they have to be charged to personal accounts for non-payment, the Synoptic Journal may be used to great advantage. This book will also contain a record of all transactions affecting the working accounts of the business, such as the Cash Account, Bank Account, Expense Account, etc. The form given on the next two pages may be easily adapted to the needs of an ordinary retail business.

* When a large amount of business is done with a person (or firm) it may be advisable to use a special column in the Synoptic Journal for his account. It is obvious, however, that the number of personal accounts kept in this book must be confined to narrow limits, otherwise it would become cumbersome or unwieldy.

SYNOPTIC

SET VIII.

Bills Rec.		Int. and Dis.		Bank.		Date.	PARTICULARS.		L.F.	Sundries.	
Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	189				Dr.	Cr.
							Balances brought forward.				
							Investment:				
						Jan.	3 Cash on hand				
						"	3 Paid Smith & Co., Toronto, cash for Goods, Inv. No. 1		1200		
						"	3 Paid Cash for Freight and Drayage.....				
						"	3 Paid Cash for Fuel and for Office Books.....				
						500	" 4 Deposited in Bank of Com- merce, Cash.....				
						"	4 Cash Sales.....				
						"	5 Discounted A. Taylor's Acceptance, No. 1, at 6 p. c. Proceeds deposited				
43	50	41		43	09	"	5 Paid Cash for Coal Oil.....				
			25			"	5 Cash Sales.....				
						"	6 Paid Warner & Sons for Goods, Inv. No. 2.....				
						"	Paid Cash for Draft and Exchange		200		
						"	6 Paid Cash for Freight.....				
						"	6 William Leeds paid Cash on account (C.S.L.).....				5
						"	6 Cash Sales.....				

Jan. 3.—By investment is meant here the amount of cash that the proprietor has handed over for use in the business. It does not necessarily represent his financial standing. See page 137.

Smith & Co. will be credited from the invoice just as if the goods were bought on credit; therefore, they must be debited for the cash paid to them. Except when the purchases are chiefly for cash it is customary to pass all of them through the dealer's personal account so as to show the extent of business done with him. In what other way might this entry be made? Explain both forms fully.

Jan. 4.—J. McEachern's account is debited in the Credit Sales Ledger. As he has given in payment an acceptance his account will be credited from the Bill Book; therefore, no entry is made here. The mark "C.S.L." should appear in the B. B., so that the amount would be posted to the proper ledger.

Jan. 5.—William Leeds' purchase of goods is entered into the C.S.L.

A. Taylor's acceptance is discounted. Bank Account is debited for the amount of proceeds, and Int. and Disc. Account for the cost of discounting the note. Bills Receivable Account is credited with the amount of the acceptance. It is usual for business houses to discount several notes or acceptances at one time. Suppose that the bills numbered 5, 7, 9, 15, 19 and 20, are discounted at the bank at 6%. The entry in that case is, *Disc'td at 6%, Bills Rec., Nos. 5, 7, 9, 15, 19, 20, &c.* The amounts will be entered in totals. In the B. B. the mark "Disc." or "D." will be placed opposite the amount of each bill, showing how it has been disposed of. Again, suppose that No. 15, accepted by Peter Doolittle, is returned by the bank for non-payment, as the bank has given us value for the acceptance we must credit Bank Account. We must also debit Doolittle, as he has become indebted to us.

Jan. 6.—The Merchandise Account is not affected, in so far as this book is concerned, by the purchase of goods from Warner & Sons. The transaction is regarded as payment on account by draft purchased with cash. Warner & Sons' account is debited for the amount of the draft remitted, Int. and L's. Account is debited for the amount of exchange paid, and Cash Account is credited for the whole amount paid out. How will this amount find its way to the Merchandise Account in the General Ledger?

JOURNAL.

Bills Payable.		Mdse.		Cash.		Proprietor.		Exp.	Fr't.	Adv'g	Labor	Rent	
Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Dr.	Dr.	Dr.	Dr.	Dr.
				2000			2000						
					1200					18			
						18							
						16					16		
				25 30	25 30	500							
				27 20	27 20	1 40					1 40		
						200 25							
							3 50						
											3 50		
				32 85	32 85	5							

William Leeds' account is credited because he gives us value. His account is found in the Credit Sales Ledger. Therefore, the entry is marked "C.S.L." If this were not done, in all probability the sum of \$5 would be posted to his credit in the General Ledger.

The other main records to be used along with this Journal are :—

(i) **The Invoices.**—The amounts of separate invoices are posted to the credit of the parties entitled to receive value for the goods purchased. The total amount of purchases for the month is transferred directly to the Cr. side of Merchandise Account in the General Ledger.

When the business is large it may be advisable to put all invoices through the Synoptic Journal. By this means a permanent book record is secured. The additional labor in doing this consists practically of making a list of the names of the firms issuing the invoices.

(ii) **The Bills Receivable Book.**—When a note or acceptance is entered in this book, the account of the person (or firm) who gave us the value it represents is credited. The total amount of bills for the month is transferred directly to the Dr. side of Bills Receivable Account in the General Ledger. Such entries having been made from the Bills Receivable Book its function as a principal book ceases.

(iii) **The Bills Payable Book.**—This book is kept on the same general plan as is outlined in No. (ii).

(iv) **The Credit Sales Ledger.**—The use of this book is explained on page 293.

(v) **The General Ledger.**—It may contain all the accounts except such personal accounts as arise from sales of merchandise. Many of the accounts kept in the Synoptic need not be transferred to the Ledger, as no advantage is gained thereby.

THE GENERAL LEDGER.

The purpose of the Ledger is to present the important results of business transactions.

When the transactions are few and simple the Ledger may be used as a book of original entry. This may be regarded as the most elementary form of systematic book-keeping. See pp. 14, 15 and 16. On the other hand, if the business is extensive, several books of original entry may be necessary, in order to afford a complete and convenient record of the details of transactions. The Ledger then becomes a *summary* of results derived from several sources, such as the Journal, Cash Book, Invoice Book, Sales Book, Bill Book, etc. It may be desirable to differentiate still further by either adapting certain sections of the Ledger to different classes of accounts or by using a separate book for each class, as Purchase Ledger, Sales Ledger, etc.

The process of summarizing may be facilitated as follows :

- (i) By a proper classification* and arrangement of accounts. A self-indexed ledger, bound in such a way that additional pages may be inserted as required, is both convenient and economical. For a business of considerable magnitude the Ledger may be divided into two parts, marked "A to L" and "M to Z," respectively.
- (ii) By posting directly from books of original entry. Every transfer from one book to another increases not only the amount of labor but also the liability to error.
- (iii) By collecting in the principal books items belonging to the same accounts, and posting them in totals.
- (iv) By adopting a convenient system of indexing. Entries should be marked so that they may, without loss of time, be traced back to their original source.

* Several classifications of accounts have been made, but for the most part they are either illogical or they have no important relation to the real purpose of the ledger. The ledger can shew only two sets of results, viz., *resources and liabilities* and *losses and gains*, the former representing the proprietor's net worth and the latter affecting it. In other words, the ledger answers two main questions, What are the resources and liabilities which *constitute* the proprietor's capital? What are the losses and gains which diminish or increase the proprietor's capital? These considerations furnish the reason why all losses and gains must ultimately find their way to the proprietor's account, which, strictly speaking, belongs to neither of the classes mentioned. See page 37. It is thus seen that the proprietor's net worth is obtained by two different methods, each of which forms a check on the other.

WHOLESALE LEDGER.

Ferguson & Co., Port Elgin.

DATE.	ITEMS.	BILLS DUE.	FOL.	DR.	CR.	BALANCE.	INDEBTED- NESS.
1896							
July 6	To Mdse. 30 days...		136 S.B.	112 20		112 20	112 20
" 8	By Dft. 30 days	10 S.B.	18 B.R.		112 20		112 20
" 18	To Mdse. 4 mos.		144 S.B.	340 35		340 35	452 55
" 31	By Dft. 4 mos.	12 S.B.	19 B.R.		300 00	40 35	452 55
Aug. 5	To Mdse. 2 Mos.		152 S.B.	200 00		240 35	652 55
" 11	To Dft. of § Unpaid.		75 J.	112 20		352 55	652 55
" 12	By Cash		95 C.B.		112 20	240 35	540 35

The foregoing is well adapted for a wholesale business. It presents at a glance such facts as will enable the manager to determine exactly how a customer's account stands. The amounts of drafts should be checked when they are paid, as the total indebtedness is thereby reduced. If a note or draft, for which a customer has been credited, is not paid at maturity—his account should be debited with the amount of it. This will increase the debit balance, although it does not affect the amount of actual indebtedness.

RETAIL LEDGER.

Warner & Sons, London.

DATE.	ITEMS.	FOL.	DR.	CR.	DR. or CR.	BALANCE.
1896.	Balance.....	346 L.A.		329 75	Cr.	329 75
Sept. 2	By Mdse.....	125 S.		428 65	Cr.	758 40
" 12	To Cash.....	129 S.	750 00		Cr.	8 40
" 14	By Mdse.....	136 S.		500 00	Cr.	508 40
" 26	To B.P.....	37 B.P.	508 40			
" 30	By Mdse.....	140 S.		650 25	Cr.	650 25
Oct. 10	To Cash.....	144 S.	400 00		Cr.	250 25
" 25	By Mdse.....	155 S.		700 25	Cr.	950 50

This form of Ledger is suitable for a general retail business. It will be observed that purchases of merchandise are posted from the Synoptic Journal instead of from the invoices as referred to on page 286. Our acceptance for \$508.40, posted from page 37 of the Bills Payable Book, closes the account. A single red line drawn across the Dr. and Cr. money columns, and the blank in the balance column are sufficient to mark this. The totals may be entered in pencil if desired. Before closing the account the amount in the Balance column should be checked by finding the difference between the Dr. and Cr. footings.

CREDIT SALES LEDGER.

No. 125.

No. of old acct. 25.

J. M. Easterbrook.

DATE.	PARTICULARS.	FOL.	SALES.	DR.	CR.
1896.	Balance of acct. rendered.....			34	20
Aug. 3	To 3 prs. Men's Kip Boots at \$4.50.....	13	50		
" 3	" 3 prs. Tie Shoes at \$1.80.....	5	40		
" 10	" 2 prs. Ladies' Pol. Calf Boots at \$2.50	5	00		
" 15	By Cash.....	43 S.			33 60
" 20	To 2 prs. Boys' Boots at \$2.40.....	4	80		
" 29	" 1 pr. Ladies' Buff Bal. at \$1.50.....	1	50		
		30	20	30	20
				64	40
				33	60
" 31	Balance due.....			30	80
Sept. 2	By note at 10 days.....	10 B.R.			30 80

The Credit Sales Ledger is well adapted for a retail business when monthly accounts are opened with customers. The following points are deserving of attention:

- (i) The form of the account should be as simple as possible.
- (ii) Each account must be numbered.
- (iii) Care must be taken not to enter the unpaid balance of a former account in the Sales Column.
- (iv) The amount of the Sales Column will find its way to the Cr. of Mdse. Acct. in the General Ledger as a part of the total amount of credit sales for the month.
- (v) When amounts are transferred to this ledger from other books, reference to them should be made in the Folio Column. $\frac{43}{\$}$ as given above shews that the entry has been posted from page 43 of the Synoptic Journal.

Perhaps no other phase of book-keeping presents more diversity of opinion among accountants than methods of dealing with sales of merchandise; certainly no other has been subjected to greater variety of treatment during the past few years. Although no method has yet been found which is entirely free from objection, it must be admitted that much advancement along the lines of securing accuracy and saving time and labor has been made.

The greatest difficulty is experienced in connection with retail business, where a large number of credit sales are made daily, and where it is practically necessary to send *itemized* monthly statements to customers, notwithstanding the fact that bills of goods are issued at the time the sales are effected.

The following method is recommended on account of its simplicity, completeness, and economy.

All particulars of credit sales are daily entered in copying ink from counter checks into a Credit Sales Ledger, composed of ruled loose sheets which are kept on file. At the end of the month tissue copies are taken off and attached to customers' monthly statements. By this means the labor of writing duplicate itemized statements is saved. Should a customer pay his account in full before the end of the month the transaction will be regarded as a cash sale, and the loose sheet on which the account appears will be removed from the file. Accounts which are paid promptly on or before the 4th day of the next month, say, may also be treated as cash sales.* All such amounts will find their way to the cash and merchandise accounts through the Synoptic Journal. See form on page 288. The remaining accounts will, in reality, constitute the Credit Sales Ledger, the total amount of which will be transferred to the Cr. side of the Mdse. Acct. in the General Ledger.

The advantages of the method here outlined are (i) No unnecessary labor is performed. (ii) The work is distributed over the whole month. (iii) Customers' accounts are always written up. (iv) The itemized statements are sure to be exact copies of the accounts. (v) The number of personal accounts remaining in the Ledger is reduced to a minimum. (vi) Accounts are arranged alphabetically, consequently there is no loss of time in referring to them.

The chief objection urged against the loose sheet system is that accounts are likely to be mislaid or lost. There is only one way of overcoming the difficulty, and that is *never to allow a sheet to be removed from the file except under the conditions mentioned above.*

* By deferring the work of testing the equilibrium of the ledger for a few days beyond the usual time much labor will be saved, as the greater number of customers' monthly accounts will be closed, or should be so at least.

SUSPENSE LEDGER.

४१.

ARTHUR E. BUCKINGHAM.

Assignee:

Memoranda.

Date of Assignment.....
" Notice Received ..
" Filing Claim ..
" Filing Release ..
" Writ ..

Judgment.

Credit Sales and Trial Balance Sheet.

No. of Acct.	JANUARY.		FEBRUARY.		MARCH.		APRIL.	
	Cr. Sales.	Dr. Bal.	Cr. Sales.	Dr. Bal.	Cr. Sales.	Dr. Bal.	Cr. Sales.	Balance.
1								
2								
3								
4								
5					R ed	Line.		
6								
7								
8								
9								
00					Bla ck	Line.		
1								
2								
3								
4								
5					R ed	Line.		
6								
7								
8								
9								
00					Bla ck	Line.		

The advantages of this sheet are as follows :

(i) It furnishes a comparative statement of the credit sales of merchandise for the different months of the year without entailing any additional labor. As each account is numbered, and as the number of amounts to be entered on the sheet is known, no time need be lost in placing the amount of any account opposite the corresponding number on this sheet. The balances of the accounts are also entered. If a credit balance should appear on any account—a thing which seldom occurs—it may be entered in red ink so as to be readily detected.

(ii) The accounts for the month are numbered in order, as they are opened ; but as many of them may have been paid and removed from the file before the books are balanced, it is absolutely necessary to locate the missing numbers. This may be easily done by taking up the file containing the accounts which were paid and placing a check mark in the blank space on this sheet corresponding to the number of each account. When all the accounts on the file are dealt with in this manner every blank space in the column will be marked. If any accounts are wanting they are at once located by number. In order to guard against fraud or error on the part of the bookkeeper the manager of the business should keep a list of the accounts for each month.

SALES CHECKS.

Sales checks are now so commonly used that it is unnecessary to say much regarding them. They form a most important part of the sales record, however, owing to the fact that they represent original entries. The following are the main points deserving of attention :

(i) Each check should bear the distinguishing mark or number and the initials of the salesman who issued it.

(ii) It should be examined and initialed by a second party, duly authorized to perform such duty.

(iii) The amount of it should be entered on the salesman's summary sheet. If marked "paid" it is entered in the cash column, and if marked "chg." it is entered in the credit column.

(iv) At the cashier's desk the amounts of all checks issued are entered in a book called the Summary Sales Book, a cash and a credit column being allotted to each salesman, so that an exact record of his checks may be made.

(v) The checks and the different summary sheets are examined and compared with the cashier's Summary Sales Book, particular care being taken to see that no check is missing. If the records are found satisfactory, the cash is counted and the amount on hand is compared with the balance, as shown by the Summary Sales Book.

(vi) The amount of cash sales for the day is entered into the Synoptic Journal, debiting the Cash Account and crediting the Merchandise Account.

(vii) The checks representing credit sales are entered as described on page 294 into the Credit Sales Ledger.

As sales checks constitute the original entries of transactions it is important that they be both safe and accessible. The cash checks for each day should be arranged alphabetically and tied up in a bundle. Every bundle should be labelled and given its place according to date among others of the same kind. The credit checks should be arranged alphabetically and pasted in vertical rows in a book made of large sheets of manilla paper. If the checks are attached by the lower edge they may be allowed to overlap so that a large number may be placed on a single page. Small spaces for dates should be left between the checks of different days. By this means any particular check whose date is known may be referred to instantly.

DIARY.

This is a book which no business man can afford to dispense with. It should be consulted regularly every morning so that no obligations or engagements for the day may be overlooked. At a convenient time during the last week of the month memoranda of all invoices, drafts, etc., which are to be paid during the succeeding month, should be made under the dates on which they become due, respectively. Other entries will be made from day to day as they become necessary.

INDEX.

	PAGE		PAGE
Abbreviations	156	Credit Notes	48
Acceptance	67, 68	Cross Entries	138
Accommodation Notes.....	52	Day Book	19, 25, 121
Account Sales	89, 90, 105	Deposit Slip	136
Accounts Classified.....	37	Debit, defined	20
Accounts Explained	2-11	Detecting Errors	33
Advice of Shipment	89	Discounting Notes, &c.	70
Averaging Accounts	143	Distinction between Single and Double Entry	18
Bad Debts	138	Drafts	67
Balance Sheet Explained	118	Drafts—Rules for Journalizing	69
Balance Sheet, Examples of	116, 119	Due Bill	48
Bank Account	21, 32	Expense Account	10, 22, 32
Banking	136	Filing Business Papers	192
Bank Check Book	136	How to Deal with Bad debts	138
Bank Pass Book	136	Index to Ledger	29, 30, 128
Bill Book	58, 121	Indexing	189
Bill of Goods	44	Indorsements	50
Bills of Exchange	73	Interest and Discount Account	22
Bills Payable Account	9, 22, 31	Inventory Book	63, 122
Bills Receivable Account	7, 22, 31	Invoice Book	63
Books as Evidence in Court	140	Invoices	46
Branch Houses	141	Joint Accounts	102
Business Correspondence	145	Joint Notes	51, 52
Business Forms	44	Joint-Stock Companies	120
Cash Account	4, 21, 30	Journal	19, 27, 78
Cash Book	57, 78, 121, 126	Journal Day Book	62
Certified Checks	137, 158	Journalizing, Rules for	20
Certificate of Deposit	136, 158	69, 87, 88, 102	
Changing from Double to Single Entry	135	Ledger	18, 30
Changing from Single to Double Entry	135	Ledger Index	29, 128
Chattel Notes	52	Letters	145, 191, 192
Checks	52	Loss and Gain Account	37, 41
Classified Statements	35	Manufacturing	139
Classification of Accounts	36, 37	Marking Goods	140
Closing the Ledger	37, 59	Mercantile Terms	157
Combined Statement	44	Merchandise Account	6, 21, 31
Commission Invoice Book	96	Merchandise Companies	102
Commission Sales Book	96		
Compound Average	144		
Consignments	88		
Correcting Errors	34		
Correspondence	145		
Credit, defined	20		

	PAGE		PAGE
Notes	49	Renewal of Notes	70
Orders	48	Requisites of a Note	49
Partial Payments	141	Rules for Determining Debits and Credits	20
Partnership	108	Sales Book	82
Partnership Settlements	109	Simple Average	143
Personal Accounts	2, 21, 32	Single Entry	121
Petty Cash Book	137	Six-Column Journal	111, 114
Petty Ledger	137	Shipment Companies	102
Plant Account	140	Shipments	87
Précis-Writing	184	Specimen Ledger Closed	39
Précis-Writing and Indexing	172	Statement of Losses and Gains	35
Private Ledger	137	Statement of Resources and Liabilities	35
Promissory Notes	7, 49	Stock Account	20, 30
Proprietor's Account	11	Sundry Debtor's Account	137
Protesting Notes, &c	68		
Real Estate Account	21	Transferring Accounts from an Old Ledger to a New One	139
Receipts	46	Trial Balance	33

INDEX TO APPENDIX.

	PAGE		PAGE
Auxiliary Books	285	Ledger, Retail	292
Books of Original Entry	285	Ledger, Suspense	295
Cash Book	229	Ledger, Wholesale	291
Credit Sales Ledger	293	Office Time and Pay Sheet	246
Credit Sales and Trial Balance Sheet	296	Pay Sheet	246
Diary	298	Record	285
Errors in the Cash	229	Retail Ledger	292
Financial Statement	237, 238	Sales Book	229
General Ledger	290	Sales Checks	297
Invoices of Purchases	286	Suspense Ledger	295
Journal, Synoptic	287	Synoptic Financial Statement	237, 238
Ledger, General	290	Synoptic Journal	287
Ledger, Credit Sales	293	Time Book	244
		Trial Balance Sheet	296
		Wholesale Ledger	291

